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Yugoslavia

International—Presidency Member Dr. Borisav Jovic met with UN Secretary-General Butrus Ghali and Ghali's personal envoy Cyrus Vance to discuss the current cease-fire. According to TANJUG, Jovic said that both Ghali and Vance were interested in assurances that the cease-fire would be observed as it is the "main precondition set by the U.N. Security Council resolution" to send "a 10,000-man" UN peace-keeping force "to regions of secessionist Croatia." TANJUG reports that the "Yugoslav side has raised the question" of the future of Serbs in Croatia because "Croatian officials" have said they would "use the arrival of U.N. troops to reclaim territories."

Bosnia-Hercegovina—Belgrade radio reports that the Sarajevo cease-fire has been observed by both sides in Bosnia-Hercegovina today as opposed to several firing violations in the area yesterday.

Croatia—Zagreb radio reports mid-morning attacks launched in Osijek and the surrounding area. Missile launches focused on the Croatian Army positions in Podravlje and Bilge. According to the command of the 1st operative zone, the "provocations" indicate the "enemy" is "bringing in reinforcements."

The southern battle front of Dubrovnik and Plasko remain "mostly quiet" with only sporadic shots fired. According to the Yugoslav People's Army (JNA) 2d Operational Group, Croatian forces opened artillery fire on Federal army positions near Sustipane. TANJUG reports that the JNA did not respond to the attack.

Poland

President Lech Walesa, Prime Minister Jan Olszewski, and former Prime Ministers Tadeusz Mazowiecki and Jan Krzysztof Bielecki met on 23 January at the Belvedere Palace to discuss "the country's political, social, and economic situation," Warsaw TV reports. Commenting on the talks, presidential press spokesman Andrzej Drzycimski stated that the "common good" demands the "minimalization of political antagonisms" and that the leadership was "counting on" the continuation of such meetings.

Government spokesman Marcin Gugulski said in a statement carried by PAP that oil and gas supplies from the Commonwealth of Independent States are a matter of "foremost concern" to the Polish Government and are "the focus of its most intensive activities." The comment was made in response to "rumors" about the possibility of Russia limiting gas supplies to Poland.

Czechoslovakia

On 22 January, President Vaclav Havel withdrew his draft law on a new federal parliament structure from the Federal Assembly's consideration, CSTK reports. Deputies are continuing their debate on whether to retain the current bicameral parliament structure and limitations on the federal government and president's powers.

Foreign Minister Bocka Pays Visit to Macedonia

AU2301160392 Tirana Radio Tirana Network in Albanian 1430 GMT 23 Jan 92

[Text] Within the framework of talks with various Balkan countries, Foreign Minister Ilir Bocka has paid a short working visit to Macedonia. During his visit to Skopje, the Albanian foreign minister met with Macedonian President Kiro Gligorov and Prime Minister Kljusev and conducted talks with Foreign Minister Maleski. Mr. Ilir Bocka also met the parliamentary groups of the Albanian political parties in the Macedonian parliament and Nevzat Halili, chairman of the Party for Democratic Prosperity. He also visited the Nova Makedonija publishing house and the Editorial Board of the Albanian-language newspaper FLAKA E VELLAZERIMIT.

The Albanian foreign minister's talks in Skopje concentrated on the current state of the Yugoslav crisis and the request of the Republic of Macedonia to be recognized as a sovereign and independent state. The position of the Albanians in Macedonia and other specific aspects of bilateral relations were also discussed. The discussions were forthright and each side presented the views of its government in the belief that dialogue is the best way to promote good-neighborliness between Albania and Macedonia.

CSFR Delegation Visits; Trade Agreement Signed

AU2301202392 Tirana Radio Tirana Network in Albanian 1900 GMT 23 Jan 92

[Text] A CSFR Government and trade delegation headed by Foreign Trade Minister Jozef Baksay arrived in our country today. Talks between our two countries' delegations also took place in Tirana today, and an agreement between the Albanian and CSFR Governments for the exchange of goods and payments in 1992 was signed.

The agreement was signed for the Albanian side by Foreign Economic Relations Minister Ylli Cabiri and for the CSFR side by Federal Foreign Trade Minister Jozef Baksay.

Prime Minister Vilson Ahmeti also received CSFR Foreign Trade Minister Baksay at the Prime Minister's Office today. After welcoming him to our country, Prime Minister Ahmeti spoke about democratic developments and the government's commitment to overcome our difficulties. Prime Minister Ahmeti called Albania's relations with the CSFR very important in various fields. He said that we should raise our traditional cooperation to new levels in industry, agriculture, and other fields, and he outlined the need for closer ties between the enterprises of our two countries. We can profit not only from trade but from the changes taking place in our countries in social assistance, privatization, etc.

For his part, Mr. Baksay pointed out the need for a new development of relations between our two countries and for tangible aid in various fields, etc.

International Agriculture Fund Membership Granted

AU2301140592 Tirana ATA in English 1100 GMT 23 Jan 92

[Text] Tirana, January 23 (ATA)—The International Fund for the Development of Agriculture (IFAD) decided on January 22 to admit Albania as member state, bringing its total membership to 147. Albania will join IFAD's category III group of developing countries which now contains 113 members.

The move was warmly welcomed by the delegate from the United States, Kathryn Morgan, policy director of the United States Agency for International Development (USAID). In her statement to the Governing Council, she said: "We hope that these two new members will find participation in this institution as beneficial as have its other members."

Democratic Party's Berisha Speaks on Agriculture

AU2301203892 Tirana Radio Tirana Network in Albanian 1900 GMT 23 Jan 92

[Text] [Democratic Party Chairman] Sali Berisha held a discussion with the working people and inhabitants of the small town of Koman at 1400 GMT yesterday afternoon. Berisha thanked them for the very warm reception he had encountered among simple people. He said that the objectives of the Democratic Party [PD] since its creation have included liberating the Albanian countryside from Bolshevik-style cooperatives and making the Albanian peasant once again master of his land, home, and life, like his father, grandfather, and forbears through the ages.

The year 1991 was difficult, but also a great and unforgettable year because of everything it brought the Albanian people. It was the year of a great turning point in the nation's history. It was the year that marked the beginning of the construction of democracy in Albania.

Berisha dwelt particularly on agricultural problems and the Land Law. He emphasized that the Land Law considers the interests of all peasants. The land must continue to be divided according to the size of the population. Former proprietors will receive cash compensation for the land they lose. There is an urgent need to provide agricultural machinery for the peasantry. There is not a shadow of doubt that the PD will meet this need. Asked about overcoming the economic crisis, Berisha replied that we have asked the EEC to help us with raw materials for those factories that might be profitable. We have asked international institutions to help us with tractors, fertilizers, and seeds so that the peasants may start to enrich themselves. If the countryside becomes rich, the entire nation will grow rich. We

have asked for and are drafting plans to build roads, factories, and modern infrastructure to permit the development of tourism.

Trade Unions Expel Xheka, Executive Committee

AU2301164492 Tirana Radio Tirana Network in Albanian 1430 GMT 23 Jan 92

[Text] A statement by the Initiating Commission of the Union of Independent Albanian Trade Unions [BSPSh] states that this Commission, after analyzing its own record, has reached the conclusion that there have been shortcomings as well as achievements in its work so far. The officiousness of some leaders of this trade union and their peremptory orders and bureaucratic and sectarian attitudes have harmed the trade union cause and workers' interests. They have pursued their personal interests and not consistently stood by or punctually solved workers' demands. This has meant that the demands and interests of the country's workers have not always been met on time or properly. The general strike was brought to an end by an order from above without results and without consultation with the trade union masses. A strike has now been called without sounding the views of trade unionists. There have been serious violations of the statute of the BSPSh that was approved by the Justice Ministry; meetings of the organization have been held without legal grounds, always on the basis of documents and regulations prepared by the wielders of power; and decisions have been taken only at high levels without respect for any democratic principles, thus putting the organization in many difficult positions.

On the basis of the BSPSh's Statute and Program approved by the Justice Ministry, the BSPSh Initiating Commission has decided to dismiss the self-appointed Executive Committee that conflicts with Article 24 of the BSPSh Statute and to expel Valer Xheka from the ranks of the BSPSh Initiating Commission as the main culprit for all the mistakes and violations committed within the BSPSh.

The Initiating Commission will continue to act until the national conference purely as a coordinator of the activities of the trade unions. The chairmen of the coordinating councils elected by the district conferences will enjoy their mandates until the national conference only in the relevant districts to which they have been elected. The Editorial Board of the newspaper SINDIKALISTI is totally dependent on the Initiating Commission until the first national conference. The BSPSh will only respect the statute approved on 11 March 1991 by Item No. 1 of Justice Ministry Decree No. 50.

Trade Union Committee Protests Property Seizure

AU2301202992 Tirana Radio Tirana Network in Albanian 1900 GMT 23 Jan 92

[Text] A report from the Executive Committee of the Union of Independent Albanian Trade Unions [BSPSh] states that at 0630 GMT on 23 January 1992 the BSPSh premises were seized by a group of individuals who occupied the offices and took the documents and seal of the BSPSh. According to the report, these individuals called themselves the Initiating Commission and broadcast a statement on the radio. The report also states that a national aktiv of the BSPSh will be held in Tirana at 1000 on Saturday 25 January 1992.

Government Talks End Valias Mine Strike

AU2301161392 Tirana Radio Tirana Network in Albanian 1430 GMT 23 Jan 92

[Text] The first shift at the Democracy Coal Mine in Tirana did not work again today. Its workers gathered on the mine's square and decided to send a representative to meet the prime minister and to submit their demands to him. As we have been informed by the mine's Independent Trade Union, talks with the prime minister were held in a spirit of understanding and tolerance and led to a solution of the miners' problems. It was, for instance, agreed that the mine's [word indistinct] should be brought forward to 1 February, which means a resumption of work at the mine, and that a police station should be provided at Valias. On being informed of the government's response, the workers agreed to end the strike, and today's second shift started work.

Podkrepa Issues Yugoslav Recognition Declaration

AU2301151192 Sofia PODKREPA in Bulgarian 17 Jan 92 p 1

["Text" of Podkrepa Labor Confederation declaration on recognition of Slovenia, Macedonia, Croatia, and Bosnia-Hercegovina adopted in Sofia on 16 January]

[Text] Taking into account the right of all nations to self-determination, in assessing the historical prerequisites for bringing about lasting peace and understanding in the Balkans, the Confederative Council of the Podkrepa Labor Confederation states:

1. It welcomes the government decision on the recognition of the independence of Slovenia, Macedonia, Croatia, and Bosnia-Hercegovina. It is consistent with the country's national interests and is a manifestation of independent foreign policy.

2. It expresses solidarity with the stance of the president of the republic of Bulgaria, Dr. Zhelyu Zhelev, regarding this decision of the Bulgarian Government.

Macedonian Organization Leader Hails Recognition

AU2301164692 Sofia TRUD in Bulgarian 17 Jan 92 p 4

[Article by Docent Dimitur Gotsev, chairman of the Internal-Macedonian Revolutionary Organization-Union of Macedonian Societies: "The Real Friends and Enemies of Macedonia"]

[Text] The official recognition of Macedonia on the part of Bulgaria is an act of outstanding importance that will be remembered as an event of everlasting glory in our country's history. Throughout a century our brothers in Macedonia have been fighting to achieve their independence from the Serbs and the Greeks, so that they may proceed along the path of cultural development and cooperation among the Balkan countries. Throughout a century they were subject to cruel punishment for their longing and legitimate aspirations.

The recognition of Macedonia on Bulgaria's part is an act likely to change the historical development of our Macedonian brothers. I am convinced that the current deals between Belgrade and Athens, as those of the past, are solely aimed at preventing our national unity. They are afraid of Macedonia's sovereignty, therefore they keep inventing all sorts of theories, behind which the old aspirations of conquest and territorial claims of these two states regarding Macedonia are concealed.

I am convinced that we cannot and should not be afraid of a sovereign Macedonia because the idea of Macedonia's autonomy, of a federation of Macedonia with the Balkan countries, and of an independent Macedonian state have always stemmed from Bulgarian circles, which means that the very idea of Macedonian independence is of Bulgarian origin. Today, a different idea that is totally opposed to ours, is emerging, namely the idea that a sovereign Macedonia could exist, but its population should not be allowed to call itself Bulgarian, mainly stemming from Serbian circles and their supporters in Macedonia. Our science has long since been successfully combating this idea. Our scholars proved that this is the political line of certain Belgrade circles that are trying to keep Macedonia within the state borders of Serbia by indoctrinating the population that Bulgaria is their greatest enemy. The recent months and weeks, however, revealed who the real friends and enemies of Macedonia are.

The European Community initially demonstrated a perfectly correct attitude toward the sovereignty of the Yugoslav republics—it urged those who wish to be sovereign to submit applications. This also brought Macedonia to The Hague. At the EC morning session in Brussels the commission dealing with the issue in question established that Slovenia and Macedonia are actually the only two republics which do not pose any problems and could be immediately recognized. To our amazement, however, the attitude changed at the afternoon session. The Serbian and Greek deals exerted their influence, as a result of which problems with Macedonia had allegedly emerged all of a sudden. Instead of Macedonia, the EC recognized Croatia to calm down the claims of the Greeks and Serbs. This is an ancient principle characterizing the policy of great powers: "Divide and rule," a principle which for over a century has been dividing Macedonia by force of various international treaties.

Article Praises Independent Foreign Policy

AU2301155892 Sofia DEMOKRATSIYA in Bulgarian 17 Jan 92 pp 1,2

[Ivo Indzhev article: "We Won the Elections for an Independent Foreign Policy"]

[Text] Bulgaria recognized the Republic of Macedonia as an independent state. This is not only a fact of major international importance but can be viewed from a different angle, namely by assuming that Bulgaria, for the first time in its history, has undeniably proved its capability of conducting an independent foreign policy! Not all Bulgarians rejoiced at this undeniable truth, but this does not affect its importance in the least. On the contrary, by recognizing Macedonia Bulgaria made its own contribution to the principle prevailing since the end of the cold war: The policies of small countries no longer depend on worldwide confrontation and the interests of global and regional superpowers.

The balance between negative and positive aspects of the Bulgarian decision still remains to be tested. Nevertheless, one unmistakable fact was revealed from the very first day of the decision: In the eyes of the entire world, a poor and small country such as Bulgaria showed enough courage to declare its firm intention to independently determine its own national priorities regardless of the considerations of ad hoc policy. The followers of

socialist policy who are trying to make up for decades of nihilism in Bulgarian foreign policy hardly know how to react. Velko Vulkanov, their candidate for president, explained his refusal to comment due to the lack of sufficient information on the subject. It was really a repetition of the notorious performance on 19 August 1991 by Aleksandur Lilov, leader of the Bulgarian Socialist Party, when the 100-year old "modern left-wing party" stood outside the boxing ring while awaiting the outcome of the power struggle in the Kremlin!

Talking about similarities and comparisons with the day of the Moscow coup, we cannot fail to notice an additional analogy. On 19 August 1991 the Bulgarian president was also the first statesman in the world who managed to contact Boris Yeltsin on the telephone and the first head of state to denounce the communist conspirators in public. You certainly remember that instead of declaring this as an asset of Bulgarian foreign policy, (let alone recognizing it as a personal contribution by Dr. Zhelev), the leaders of the party which ruled Bulgaria in those days and their subservient propaganda machine insinuated that the condemnation was too hasty. Did you ever notice any change in the attitude of those critics? Hardly. They are propagating their so-called "competent" evaluations again, based on the presumption that the recognition of Macedonia was too hasty. This is done solely to find fault, and shows the Socialists' unwillingness to admit that Bulgaria has finally proved its capability of conducting an independent foreign policy, which, after all, is in the interest of all citizens regardless of their political convictions.

Considering the international and Balkan reactions, a rather interesting situation emerges in connection with the arguments of Bulgarian political pundits. In applying their primitive cliches about the nation's potential enemies and friends, they relied on some rather elementary concoctions which the post-totalitarian stomachs of certain Bulgarians could easily digest. These include the cliche that the threat to Bulgaria comes from Turkey, which is supported by the United States. On the other hand, the self-appointed and "only competent" builders of the Bulgarian room in the common European home recently praised Greece as a shining example, for no other reason than the controversies between Athens and Ankara which served as a convenient pretext for post-totaliarian propaganda in our country and for fanning nationalistic passions required to maintain the sacred cow of "socialist choice." What happens today? It suddenly turns out that Turkey's stance on the disintegration of Yugoslavia is much closer to the Bulgarian point of view than the Greek one. There is even more: Greece is openly supporting the Greater Serbian cause while Turkey's point of view is much closer to the European stand—actually, Turkey could even be ahead of it in the near future (just like Bulgaria). In addition, Turkey is not acting in concert with the United States. On the contrary, the current silence of the United States on the issue is much more to the advantage of Greece and Serbia than Turkey.

In saying all this, I am not trying to shift the accents on the priorities of Bulgarian foreign policy. They remain the same, and we could even say that Greece continues to play a role of major importance. I am just curious to see how our native schemers are going to adjust to the new situation after they wasted so much effort on convincing Bulgarians and the rest of the world that our new political elite was allegedly selling the country out to Turkey and the United States. If those schemers were in power, it would be easy for them—they could just resign. They are not in power, however, for which we should eventually thank God. If they had been in power, we would have waited again for instructions from abroad telling us how to determine our foreign policy on a question of such historical importance as our relations with disintegrating Yugoslavia.

Assembly Approves Loans From Foreign Countries

AU2301183992 Sofia BTA in English 1814 GMT 23 Jan 92

[Text] Sofia, January 23 (BTA)—The National Assembly today passed a special resolution whereby it gave its consent to the government's negotiating and contracting sovereign loans.

Parliament specified these loans in its resolution: 100 million U.S. dollars from Japan (as co-financing of the World Bank's structural adjustment loan), 210 million Austrian schillings from Austria, 20 million U.S. dollars from Sweden, 5 million U.S. dollars from Finland, 13 million U.S. dollars from Norway, 32 million U.S. dollars from Switzerland and 10 million U.S. dollars from Canada in a G-24 loan, 40 million ECU from the European Investment Bank and 45 million dollars from the European Bank for Reconstruction and Development.

In 1991 the Bulgarian Government approached the EC and the governments of the G-24 countries for financial support of the economic reform. On the basis of a memorandum signed by the Bulgarian Government, the G-24 decided that its members would lend a total of 800 million dollars on soft terms. Half of the money was to come from non-EC countries.

The EC has provided so far 290 million ECU (by an agreement dated July 2, 1991).

The aforementioned seven G-24 countries offered the Bulgarian Government to share in this loan. Some of them also offered draft agreements and expect a Bulgarian confirmation to start negotiations on specific terms for their conclusion. Today's resolution gave the go-ahead.

Talks were held and an agreement in principle was reached on a 45 million ECU loan from the European Investment Bank and a 40 million ECU loan from the European Bank for Reconstruction for the completion and start-up of generating unit eight of the Maritsa Iztok-2 Thermal Electric Power Station and for the installation of smoke-treatment plant meeting European

standards. Today's resolution applied to this borrowing, too. The rest of the money is expected to come as a EC grant from operation PHARE [Economic Reconstruction Aid for Poland and Hungary].

All loans, which were approved by Bulgaria's parliament today, will go into the state fund for reconstruction and development and will be used according to the government's programme for structural adjustment, regulation of the balance of payments, procurement of energy resources and export incentives.

New Civil Defense Chief Outlines Planned Reforms

AU2301152092 Sofia BULGARSKA ARMIYA in Bulgarian 17 Jan 92 p 3

[Major Georgi Buchev report]

[Text] Colonel Engineer Nikola Nikolov, the new chief of Civil Protection [Grazhdanska zashtita], stated at a briefing at the Central Military Club in Sofia that a lot of generals and officers who are unsuitable or who have exhausted their capabilities are working in the Civil Protection. Nikola Nikolov was introduced to the dozens of journalists present by Major General Stoimenov, the Ministry of Defense spokesman. Colonel Nikolov shared his views on certain changes in the structure and tasks of the department under the new conditions. There are formations like the Civil Protection in every civilized country, the new chief stated, adding that the name change proposed in the bill on Civil Protection arises from the fact that the department's work is concerned more with protection than with defense. Until now, the Civil Defense was governed not by a law, but by subsidiary legal acts that have no value today. There was a lack of a scientifically based concept, and a large number of the officers and generals working in the field failed to show the necessary professionalism. The Civil Defense's activities themselves had a wartime, not a peacetime orientation that made its regular full time and unpaid volunteer formations unwieldy and insufficiently effective in risk situations. On top of all this, we have not signed even one international cooperation agreement in this area!

A restructuring of the Civil Protection is planned, whereby it will be separated from the mobilization bodies and the organs with military accountability. However, this does not mean that it will be demilitarized. This was a distorted interpretation of Defense Minister Dimitur Ludzhev's stated viewpoint: The department will be demilitarized insofar as it will no longer have to deal with a number of inappropriate purely military tasks. Besides establishing small but flexible detachments (with full-time paid administrative staff), the Civil Protection has the government's support for reviewing the membership of the Permanent Parliamentary Commission for the Protection of the Population in the Event of Disasters and Accidents (an order was signed on 8 January). This commission is chaired by the prime minister himself, and 19 ministries and departments and seven expert groups provide its backbone. In connection with this, a memorandum is shortly to be submitted to the Council of Ministers on updating the plans and training the new administrative apparatus. Bulgaria is expected to become the initiator of a Balkan conference on matters concerning the protection of the population in the event of disasters and accidents. It is possible that contacts will be established with the NATO Defense Planning Committee.

Generals Discuss Army's Future Development

AU2301155692 Sofia BTA in English 1528 GMT 23 Jan 92

[Text] Sofia, January 23 (BTA)—At their meeting which has been going on for three days now, the senior command personnel of the Bulgarian Army are debating whether the length of conscription in the Army should be a year and a half or only one year. Major General Stoimen Stoimenov, spokesman for the Ministry of Defence, announced at today's briefing that an analysis was made of the prospects for the development of the Armed Forces until the year 2000 on the basis of several alternative projects submitted by experts.

The future Bulgarian Army will be of a lesser numerical strength, but more modern and mobile, the general said. It will be relied mainly on the adequacy of the Army's reaction to any threat, though there is no danger of an aggression against Bulgaria at the moment, as it was pointed out at the meeting. [sentence as received]

There will be 80,000 to 93,000 professional and conscription military servicemen in the Army. Some day it will become a professional one, but in the near future the Army will continue to be built up on a mixed professional and conscription basis due to financial and economic considerations, General Stoimenov explained.

Assembly Honors Formerly 'Repressed' Officers

AU2301155592 Sofia DEMOKRATSIYA in Bulgarian 17 Jan 92 p 2

[Emil Zdravkov report: "The Honor and Dignity of Repressed Militaries Are Restored"]

[Text] The Grand National Assembly decreed the political and civil rehabilitation of thousands of people who suffered under the repressive measures of the communist militia forces and judicial machinery in the years following the coup of 9 September 1944. Unfortunately, however, this act of restoring historical truth did not include some military officials who greatly contributed to our country's defense in the past. Therefore, at the suggestion of the minister of defense, the Council of Ministers submitted a proposal to President Zhelev in accordance with the Law on the Political and Civil Rehabilitation of the Repressed, in connection with the (post mortem) promotion of the following officers to the rank of general: Lieutenant General Kiril Stanchev, former commander of the Second Army; Lieutenant

General Ivan Popov, former infantry commander and former department head at the Ministry of Defense, who was executed in 1949. The following officers shall be pormoted to the rank of major general (post mortem): Tsonko Tsonkov, former manager of a military equipment plant in Kazanluk, who was sentenced to death as a co-defendant in the trial of General Dimitur Tomov; Georgi Kolev, former manager of a chemical laboratory at the Kazunluk military equipment plant; Colonel Boris Gergov, former commander of a an Air Force flight squadron; Stoyan Chavdarov, former commander in chief of the Third Balkan Division, who was killed after torture in 1946; Rear Admiral (post mortem) Valentin Paspaleev, former commander of the Bulgarian Navy, who died as a result of torture in 1949. The following officers who suffered under repression shall be also be promoted to the rank of major general: Colonel Marko Ivanov, former department head in the defense minister's cabinet; and Colonel Stoyan Stoyanov of the Bulgarian Air Force for his exceptional courage in heroically downing 27 aircraft during the air raid on Sofia in 1943.

The minister of defense has promoted Captain Yordan Spisarevski to the rank of colonel for his courage in conducting the first ramming maneuver [flying his plane into an enemy aircraft] in the history of our Air Force. A total of 12 officers are expected to be promoted to the rank of colonel of the reserve. Another group of 40 officiers will also be promoted to the rank of colonel post mortem.

Andreev Confirms 'Political Tension' in Balkans

AU2301173992 Sofia DEMOKRATSIYA in Bulgarian 17 Jan 92 p 2

[Emil Mladenov report: "Some People Misinform, Others Use Misinformation for Their Party Propaganda"]

[Text] Lieutenant General Stoyan Andreev, the president of the Republic's adviser on questions of national security, in a special interview with the daily DEMOKRATSIYA, admitted that he is distressed by the recent dishonest manipulations and speculations with his name in which several journalists and politicians are involved. They start with deliberate misinformation—concerning a meeting of the president's National Security Council, which was not held on Tuesday [14 January], but on Wednesday [15 January]—ending with accusations of no less than high treason, as it appears from an interview with Dimitur Yonchev published in the newspaper ZEMYA.

Only a so-called "military expert" can have the courage to claim in a subtitle, that a "100,000-man-strong Serbian Army is allegedly stationed in Skopje," after it is common knowledge that it is impossible to build a structure and infrastructure, such as those of the Third Military District, which is about to be established in Skopje, within the span of a few hours, Lt. Gen. Stoyan Andreev says. Now, who is artificially trying to create tension? Let the readers judge for themselves.

Naturally, I repeat that the amassing of troops in the vicinity of our borders, as confirmed by recent developments in Macedonia, creates a new center of political tension in the Balkans. A military structure for large-scale combat operations, similar to the Soviet-type military okrugs is being created. The commanding staff of the Skopje Military District is entirely composed of Serbs, headed by Colonel General Uzelac, the "hero" of Croatia and Slovenia, while numerous Macedonian generals and officers are being dismissed. There is even more: The day before yesterday Dosta Dimovska, chairman of the Internal Macedonian Revolutionary Organization-Democratic Movement for Macedonian Mational Unity [VMRO-TPMNE], appealed to Europe and Bulgaria to prevent the incipient military occupation of Macedonia. Can all these facts be considered as an attempt at subversion, which Mr. Yonchev is accusing me of, after the Macedonians themselves have not remained inactive and are alerting the international public?

In closing the chapter of the numerous insinuations against me, I must authoritatively declare that no real military danger threatens Bulgaria at this very moment. At the same time, however, I am convinced that an explosive mixture of military occupation and ethnic tension is building up in the relations between Serbia and Macedonia, which can already be regarded as relations between two states. This makes it necessary for us to closely observe and permanently assess the situation to adopt appropriate measures in accordance with acting EC criteria on the observance of the former Yugoslav republics' independence. For this reason, I am convinced that Mr. Yonchev's statements rather than mine are interfering with the interests of both Bulgaria and Macedonia, because they pursue strictly party-biased interests just a few days prior to the presidential elections, General Andreev said.

Podkrepa Trade Union Congress Set for 8 February

AU2301151492 Sofia PODKREPA in Bulgarian 17 Jan 92 p 1

[Emil Tonev report]

[Text] The second congress of the Podkrepa Labor Confederation will last for four days, the Confederative Council decided on 16 January. From 8 to 11 January 1992, 800 delegates from the country's trade-union organizations will take part in it. The congress will be held in the National Palace of Culture [NDK]. The date for accreditation is 7 February from 1000 to 2200 [0800 to 2000 GMT] at the NDK's entrance no 5.

Over 100 foreign visitors have confirmed that they will participate in the confederation's congress. Official invitations have been sent to Filip Dimitrov and Aleksandur Yanchulev, as well as Dr. Zhelyu Zhelev, the republic's president. "We are certain that Mr. Zhelev will be elected in the second round of the presidential elections," Confederal Secretary Radoslav Nenov stated.

On 16 January, the Confederative Council discussed the draft decree and draft program of the Podkrepa Labor

Confederation that will be submitted for the congress's approval. Two declarations were adopted: one in support of the presidential candidate pair Zhelev-Dimitrova, and the other expressing solidarity with the decision of the Government and the president of the Republic of Bulgaria on the recognition of the independence of Slovenia, Macedonia, Croatia, and Bosnia-Hercegovina.

Bill Presented To Repeal 1944 People's Court Act

AU2401134492 Sofia BTA in English 1222 GMT 24 Jan 92

[Text] Sofia, January 24 (BTA)—MP's [members of parliament] of the Union of Democratic Forces have submitted a bill repealing the 1944 statutory ordinance on the trial by a people's court of the culprits for the involvement of Bulgaria in the war against the Allied Powers and for the related crimes. The bill has not been debated at a plenary sitting yet but controversial commentaries have already appeared in the press.

The bill declares the statutory ordinance void and provides for restoring those convicted and their heirs to the property rights they were stripped of.

The statutory ordinance was in violation of the then operating Constitution and had no foundation in international law, the sponsors of the bill point out.

Parliamentarians and ministers who were part of the structures of power in the period from January 1, 1941 to September 9, 1944, were convicted and tried under the statutory ordinance, though according to the then operative Constitution of Turnovo MP's could not be held liable for actions committed in the performance of their duties and ministers could be brought to trial only by a decision of the National Assembly.

Under the people's court statutory ordinance trial panels were set up which actually were extraordinary courts unprovided for in the country's legislation. They were established on political grounds. Their sentences were unappealable. "Therefore, all capital punishment sentences were tantamount to extrajudicial killing," the sponsors write setting forth their arguments for the bill's submission.

There were cases of sentencing dead people under this act.

The sponsors of the bill repealing the people's court statutory ordinance stress that it had no foundation in Bulgaria's international obligations and was adopted before the 1944 armistice agreement between Bulgaria and the Allied Powers.

The MP's of the Bulgarian Socialist Party maintain that the bill is "a blow on the democratic processes in Bulgaria after November 9, 1989." In their opinion if passed, the bill would justify Bulgaria's involvement in World War II on the side of Nazi Germany and would "acquit politically, legally and morally the people who inflicted so much suffering on their own people and on other peoples." A letter in which the socialist faction emphasizes that "the bill would throw Bulgaria fifty years back, has been sent to the heads of state of the United States, Russia, France, Great Britain and China, the Socialists' daily DUMA reported. Today's press carries a letter of protest by the Shalom Organization of Jews in Bulgaria in connection with the bill. "Some of the sentences might be called in question but it is beyond any doubt that crimes against the Bulgarian people weighed on the conscience of most of the convicted, it is said in the letter.

A well-known philosopher who happened to be a member of a people's court panel wrote in yesterday's DUMA that the people's courts had been used for "settling" local squabbles and for personal vengeance.

Ms. Nora Ananieva, floor leader of the Bulgarian Socialist Party faction, has recently met with the ambassadors of the United States, Great Britain, France, Russia and China to discuss the bill repealing the people's court statutory ordinance. DUMA gave no details about her meetings. Ms. Ananieva said in a radio interview that the ambassadors reacted in different ways without specifying what was their actual response.

Havel Withdraws Draft Law on Assembly Structure

LD2301140592 Prague CSTK in English 1442 GMT 22 Jan 92

[Text] Prague Jan 22 (CSTK)—Czechoslovak President Vaclav Havel has withdrawn his draft law on a new structure for the federal parliament, the 20th joint session of the parliament's two houses was informed today. The parliament today is continuing to debate deputies' bills to retain the parliament's present bicameral structure and reaffirm current limitations on the powers of the president and the federal government.

Havel's draft law called for creating a single-chamber federal parliament with 200 deputies and a 30-member federal council, fifteen from each of the Czech and Slovak republics. Under the parliament's present structure, 200 deputies are in the House of the People, and 150 in the House of Nations. If passed, the draft laws being discussed today are to be included in a new Czechoslovak constitution.

One draft law outlines as the country's supreme authority a bicameral parliament consisting of a 200-strong Chamber of Deputies and a Senate of 100. Fifty senators would be elected from the Czech Republic and 50 from the Slovak Republic, and representatives to the Chamber of Deputies would be elected from across the country. According to the draft law, the Chamber of Deputies would be located in Prague, and the Senate in Bratislava.

The draft law gives the president of the republic the power to name and dismiss the Federal Government and, under certain conditions, to dismiss parliament. The president would also have the power to return laws to parliament for further consideration. According to the draft law the Czech and Slovak national parliaments must approve the new Czechoslovak Constitution before it comes into force.

Results, Impact of Talks on State Setup Viewed

AU2301125192 Prague CSTK in English 2027 GMT 20 Jan 92

[Text] Prague Jan 20 (CSTK)—Zdenek Jicinsky, first deputy chairman of the Czechoslovak parliament, today said the latest, not much successful talks between the Czech and Slovak parliaments' Presidiums on a Czech-Slovak agreement may cripple the relative consensus existing in the supreme legislative body. The agreement between the Czech and Slovak republics constituting Czechoslovakia should become a basis for a new federal constitution.

Speaking on the eve of the 20th joint session of the House of Nations and the House of the People of the federal parliament, opening tomorrow, Jicinsky (Civic Movement [OH]) referred to the January 17 talks between Czech and Slovak parliaments' representatives in Prague.

They agreed that the pending document on the two republics' coexistence will also set the shape of the top legislative and executive bodies of the Czechoslovak Federation, an idea thus far rejected by the Czech side. The Czech and Slovak parliaments still differ on the division of powers in such fields as the banking or customs systems. The conclusion of an agreement between the Czech and Slovak Republics was proposed early last year by Slovakia which thus wants to ensure its sovereignty within the common state of Czechs and Slovaks.

The talks on the contents of the agreement and the way of its adoption have been very difficult, even threatening the very existence of Czechoslovakia. It was the ominous tension in the talks last November which inspired Havel to submit to the federal parliament five drafts for amending constitutional laws, some of which would give him greater powers. Some of the drafts will top the agenda of the 20th parliament session.

The bills treat the procedure for adopting a new federal constitution, calling a referendum, dissolving the parliament, creating new federal legislative bodies and amendments to the electoral law. General elections in Czechoslovakia are scheduled to be held in June.

Also speaking to journalists today was Jan Sokol (OH), deputy chairman of the House of Nations. He said the bills amending the constitutional law on the Czechoslovak Federation which provides for expanding the president's powers, and the proposal to set up a unicameral parliament (replacing the present bicameral body, often clumsy in its work) have the least chances for being adopted.

Havel proposes to set up, in addition to the 200-seat unicameral parliament, a 30-seat Federal Council composed of deputies to the Czech and Slovak regional parliaments. The deputies have submitted their own bill which provides for a parliament consisting of a house of representatives and a senate. Havel's draft electoral law provides for a combination of the proportional system, which has had a long tradition in Czechoslovakia and which was also applied in the previous general elections in 1990, and of the winner-take-all system. This draft has been rejected by most parliament committees to the benefit of the deputies's proposal which favours the proportional system.

In his regular radio speech on Sunday [19 January], Havel said a compromise is now being considered: To apply the proportional system in electing one of the two houses of the future parliament (if it remains bicameral) and the winner-take-all system to the other house. Havel justified his version, which provides for the direct election of individual candidates, by the effort to prevent an excessive fragmentation of the political scene (as it happened in Poland last year). Havel's opponents argue this would be prevented by the introduction of a numerous clauses to keep small parties out of legislative bodies.

Jozef Stank (Party of the Democratic Left—SDL, Slovakia), deputy chairman of the federal parliament, said at the press conference today the 20th parliament session will be one of the most important because it should outline the form of coexistence of Czechs and Slovaks in a common state. Agreement on the amendments to the constitutional laws on the way of adopting the constitution and on a new status for the federal parliament, the president and the Federal Government would largely predetermine the new constitution, Stank said.

If the legislators fail to reach agreement, the present state will not be changed and deputies will continue to be elected to a federal parliament having the present structure, Stank said. He warned that it would be very difficult to conceive in a new constitution another representative body, and the same would be true of the president's powers, the way of appointing the government, and relationship between the government and parliament.

Coupon Book Registration Not To Be Interrupted

AU2301124492 Prague CSTK in English 1822 GMT 20 Jan 92

[Text] Prague Jan 20 (CSTK)—There will be no suspension or postponement in the registration of privatisation coupon booklets (to end January 31), Czechoslovak Finance Minister Vaclav Klaus said at a press conference here today. This decision was taken at today's meeting of representatives of the Czechoslovak Finance Ministry and the Czech and Slovak privatisation ministries.

The Czech and Slovak ministers, Tomas Jezek and Ivan Miklos, agreed last Friday [17 January] the registration should be suspended because of the shortage of coupon booklets, supposedly caused by speculation. Klaus said the shortage of coupon booklets will be solved by issuing substitute registration cards. As soon as the (Czechoslovak Finance) Ministry secures a sufficient amount of booklets, they will be exchanged for the cards, Klaus said.

In the coupon privatisation, thousands of state-owned companies are to be sold off by the sale of coupons worth 1,000 crowns (33 dollars) to individuals over 18 years of age who, after registration, may trade their coupons for company shares. A registration booklet costs 35 crowns (1 USD - 30 crowns). The registration began November 1, 1991.

Slovak Government Views Election, Budget Issues

AU2401080792 Bratislava NARODNA OBRODA in Slovak 22 Jan pp 1-2

[Stanislav Tomanek report: "The Government Does Not Have Enough Money for Apartments"]

[Text] Bratislava—At the opening of yesterday's lobby news conference, Slovak Republic Prime Minister Jan Carnogursky obtained a report on a bomb in the PRACA editorial office. An anonymous telephone caller, who said he was unemployed, claimed to have placed the bomb there. On the other hand, it was an expected undertaking, rather than a bomb, when the prime minister announced an amendment to the Slovak National Council Law 80/1990 on Elections to the Slovak National Council.

As recommended by the Slovak National Council Presidium, the draft is based on the current proportional election system. Mandates are obtained by parties that received at least 5 percent of the valid votes. The government has set a condition, however, that the parties running in the elections must obtain 10,000 signatures. This prerequisite applies, however, only to the parties constituted and registered after the June 1990 elections. Hence, the prime minister implies that the political force with the largest support in Slovakia, the Movement for a Democratic Slovakia, has to collect signatures, while the least popular parties, Civic Democratic Union-Public Against Violence and the Democratic Party, do not have to do it. One cannot avoid a feeling that this move by the coalition, which gives it an unfair guarantee and advantage, will come back as a boomerang rather than bringing the expected effect. The reasonable and democratic voters could hardly prefer those who seek advantages on the basis of their current position.

The Slovak prime minister and the government commissioner for coordination of work on the housing construction concept admitted to inadequate finances for a complex solution to this problem. The government reckons with 4.2 billion korunas spending on the comprehensive housing construction project, and it intends to obtain the money from the Federal Government by means of government bonds. According to estimates by government experts, 10 percent of residents in government housing are non-paying renters. The number of non-payers in the cooperative housing remains a secret. There is less than one-tenth left of the original 1.2 billion korunas assigned by the government to heat half a million apartments, and 15 million korunas of this is earmarked for the so-called porous-concrete version of the apartments.

According to Jan Carnogursky, the Slovak budget continues to show a 5-billion koruna deficit. Apparently there is no need to dramatize the situation but, in the first quarter, the Slovak Republic will receive only one-fifth of the expected annual expenses.

The recently adopted Law on Complaints specifies that, as customary in democratic countries, anonymous complaints will not be considered. The government agreed with comments to the proposal of signing accords on free trade with Poland and Hungary. The Slovak Republic central bodies will participate in the final work on lists of goods to be imported to Czechoslovakia from these countries. The objective is to liberalize mutual trade so that, in the transitional period, we will remove customs and non-customs barriers.

The report of Minister Ivan Miklos on the structure of investment privatization funds (IPF) and an estimate of their effect on the development of a competitive environment was interesting. The adopted resolution names the existence of binding legislation on the purchase of shares by these funds as a condition for entry of the IPF into the coupon privatization. In another amendment, the Slovak Republic Government proposes that the IPF should be able to order shares of the companies listed among the projects only up to the maximum of 20 percent of the shares issued by that company. The total of orders by the funds, in the capital assets of which the same legal entity participates, should not exceed 40 percent of the shares issued. The individual IPF must place its orders in at least 10 stockholding companies. In a way, these proposals help to create a competitive environment without actually preventing unidentified—foreign, for instance—capital to gain excessive influence in some enterprises or even sectors.

Statistics on the operation of the government in the second half of 1991: The Slovak Republic Government discussed 34 Slovak Republic Government bills, 19 deputy initiatives, 10 draft Slovak National Council law principles, nine Slovak Republic Government decrees, 68 Federal Assembly bills and laws, and seven CSFR Government decrees.

A meeting of the Government Presidium followed the Slovak Republic Government session. Among other things, it recalled Alice Krsakova from the post of deputy chairman of the Slovak Anti-Monopoly Office on her own request.

Slovak Presidium Discusses Territorial Division

AU2301172792 Bratislava NARODNA OBRODA in Slovak 22 Jan 92 p 2

[CSTK report: "Another Round Tomorrow"]

[Text] Bratislava—"The territorial and administrative reorganization of Slovakia does not necessarily have to be tied to the tax reform being prepared for next January. The territorial division can be implemented as late as 1993-1994," Slovak Republic Finance Minister Jozef Danco said at yesterday's session of the Slovak National Council Presidium, after he had delivered proposals on the territorial and administrative division of Slovakia from the point of view of his department.

Asked which version of the territorial and administrative division he prefers, the minister said the present organization, i.e., 38 districts that would form seven to eight regions, suits his department just fine.

The minister briefed the Slovak National Council Presidium on the government measures that should prevent the current unfortunate situation depleting the state treasury—the deficit reached 5 billion korunas in the first 10 days of the year. On the revenue side of the budget, the Ministry of Finance will be monitoring tax payments very closely. In the regions hardest hit—by unemployment, for instance—tradesmen and small businessmen will be exempt from tax. These measures should attract domestic and foreign capital to these regions. It will apply to the districts of Cadca, Rimavska Sobota, Povazska Bystrica, Spisska Nova Ves, and others.

"A new outlook on the talks with our Czech partners may be provided this week by the outcome of the vote in the Federal Assembly on the presidential proposal regarding the ratification of the common state constitution by the national councils. If the proposal were approved, the philosophy we promote would be confirmed and, at the same time, it would positively affect the talks between the Czech National Council and the Slovak National Council," Ivan Carnogursky, first deputy chairman of the Slovak parliament, said in conclusion to the session of the Slovak National Council Presidium. "On 23 January, when the next round of the talks with the representatives of the Czech National Council Presidium take place, our Czech partners will bring along additional comments in writing. We will add our interpretation and submit them to the deputies' clubs, which will take a stand on them in the Slovak National Council plenum next week," Ivan Carnogursky stated.

According to Article 104, Section 2 of the Constitutional Law 143/1968 on Czechoslovak Federation, in its session the Slovak National Council Presidium called today the Slovak National Council session for 27 January 1992.

Havel Comments on Constitutional Court, Judges

AU2301162992 Bratislava NARODNA OBRODA in Slovak 21 Jan 92 p 1

[Report on interview with CSFR President Vaclav Havel by "(am)"-signed reporter in Bratislava; date not given: "The Constitutional Court—As of 1 February"]

[Text] At the end of the last day of a working visit by CSFR President Vaclav Havel to Bratislava, our colleague from Slovak radio asked the head of state a few questions. We agreed that she would ask: When will the Constitutional Court begin to function so that the judgment may be passed stating which laws are contradictory to the Constitution and the Constitutional Charter of Fundamental Rights and Freedoms?

"The Constitutional Court was expected to start functioning on 1 January," Havel said. "If this is not what happened, it is because our parliaments proposed the judges too late. According to the law, our three parliaments must select 24 judges, and within a month after they have submitted a report on their candidates to the president, the president must appoint 12 judges of the Constitutional Court out of 24 candidates. I received reports from the parliaments only by the end of December and beginning of January. This means that I have a 30-day period—which I want to use entirely—for trying to select 12 most appropriate candidates. It is not an easy task. No matter which 12 I select, there will be

screaming from the rooftops. They will reproach me for not having selected the other ones.

I would like to organize the oath of the appointed judges at the Castle on 31 January, so that the Constitutional Court could begin functioning in Brno on 1 February," the president said. According to Havel, when selecting the judges, the president tries to disregard their party membership and how they voted in parliament. He wants to appoint those who will certainly be objective judges, are knowledgeable in constitutional law, and will become impartial and independent members of the Constitutional Court.

Government Recognizes Former Soviet Republics

LD2301212892 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 2030 GMT 23 Jan 92

[Text] The federal government today recognized nine republics of the former Soviet Union: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenia, and Uzbekistan.

Vavrousek Comments on Hungarian Proposals on Dam

LD2301110592 Budapest Kossuth Radio Network in Hungarian 1100 GMT 22 Jan 92

[Peter Nyaradi report from Prague]

[Text] Newspapers in the Czech lands are writing about a Hungarian diktat. They highlight that the construction issue is becoming more and more politicized in Hungary. According to opinions here, the Hungarians are only trying to play for time. They want to hide the fact that they have no realistic concept about the Gabcikovo-Nagymaros issue, or any acceptable solution to the problem.

As for the Hungarian proposal that the two sides simultaneously relinquish the 1977 agreement and consider it null and void, the judgment in Prague is that, if this is done, the last trump card would slip from our hands. After that, there would no longer be any legal basis for the construction. An entirely new legal situation would develop. Czechoslovakia would lose its negotiating position as a partner of equal rank. Czechs are calculating the losses that could result if the Hungarians do not fulfill their commitments in the agreement. They are looking into ways in which these losses could be recovered.

Today a news conference was held by Josef Vavrousek, Czechoslovak federal minister for environmental protection, who tried to keep the Hungarian stand and Hungarian interests in view. He stated: Czechoslovakia would like to see the completion of the Gabcikovo stage, but in such a way that it would refrain from peak operation and would operate the Gabcikovo stage only in a simple flow-through system. This would make superfluous most of the construction disputed today, while retaining all the useful elements of the work. The only question would concern the artificial bed.

The minister said that Czechoslovakia is also willing to take a share in financing the plans aimed at total dismantling. The CSFR is already looking for the appropriate institutions for this. It expects the Hungarians to make a statement in relations to this and to prepare a plan for the dismantling. According to Vavrousek, although this would resolve the matter of Gabcikovo, albeit at a great cost and with great losses, it would not resolve the Danube's already existing problems, which are independent of this issue.

Baksay Outlines Foreign Trade Orientation

AU2301164992 Prague LIDOVE NOVINY in Czech 21 Jan 92 p 6

[Interview with CSFR Foreign Trade Minister Jozef Baksay by Petr Husak; place and date not given: "Into the 'G-7' With a Great Deal of Effort?"]

[Excerpts] [Baksay] Unilateral dependence on the former Soviet market was extremely dangerous for the Czechoslovak economy. Therefore, we are now striving to diversify our commercial agreements and to conduct business with everyone who buys our products. This trade policy has proven itself. At the same time, our balance of payments for the first three months of last year was 11.5 billion korunas in the red. This result was reversed during the next eight months. Our balance of payments (for the period up to the end of November) was 17.4 billion korunas in the black. We tried to create the most advantageous conditions possible for businessmen. We were gradually granted the Generalized System of Preferences by Austria, the United States, the EC, and Canada. We have signed agreements with many countries on preventing dual taxation and on protecting and supporting investments. Results have been achieved. However, all the results we achieved in foreign trade last year were achieved with a great deal of effort. [passage omitted]

[Husak] What does the disintegration of the single Soviet market into the regional markets of individual republics mean for Czechoslovakia?

[Baksay] We are gradually getting together with the individual republics to conclude protocols on exchanging goods in 1992. The collapse of the USSR and the formation of the Commonwealth of Independent States [CIS] should not have a significant influence on trade with the former Soviet Union.

[Husak] Which of the former Soviet republics are most important for us from the point of view of commercial and political interests?

[Baksay] Four in particular: Russia, the Ukraine, Kazakhstan, and Belarus. Although these republics have insufficient financial resources, they have abundant supplies of minerals and raw materials. We will trade in free

currency. We will also utilize all forms of clearing and barter accounts. The individual CIS republics will probably impose additional tax burdens on barter agreements. We would like to negotiate an exemption for Czechoslovakia. We would like to import oil, natural gas, non-ferrous metals, and fuel for our nuclear power plants from the former Soviet Union. According to my personal estimates, the level of trade in 1992 will be close to the level of 1991. That is, there will be no significant decline. Czechoslovak-Soviet trade turnover in 1991 amounted to $5-5.5 billion. From the point of view of Czechoslovak exports, 1991 represented 62 percent of 1990; it represented 112 percent from the point of view of imports. Therefore, the decline in trade with the "USSR" was not as catastrophic as many people had envisaged. In comparison with Hungarian-Soviet and Polish-Soviet trade figures, it was considerably better.

[Husak] However, the CIS owes Czechoslovakia more than $4.5 billion....

[Baksay] Two billion dollars is accounted for by credit that Prime Minister Adamec's government granted the Soviet Union. Repayment of this debt will begin on 1 January 1996. The annual interest payment on this debt—$48 million—is being met by the former Soviet Union. The "USSR" owes us $1-1.2 billion for the so-called "VIA" [integration] projects. This debt will be paid in the form of gas supplies. A mechanism for wiping out another debt—a balance of trade surplus amounting to $2.2 billion—should be discussed at the forthcoming high level state visit to Moscow. I am not saying that the CIS will immediately pay all its debts. However, the debts will certainly be repaid. We have to realize that the CIS is a very rich region. It has large stocks of minerals and raw materials. It is a vacant market to which we would gladly sell some of our goods. The whole world is competing for these markets. [passage omitted]

[Husak] What do you think of the exclusive influx of German capital into Czechoslovakia?

[Baksay] There are several reasons for the exclusive success enjoyed by German capital in penetrating the Czechoslovak market—in comparison with other European or foreign capital: geographic proximity, few language barriers, our German partners' robust commercial aggression, and their sound knowledge of the conditions on our market. I support a diversified course of action in the foreign investment sphere. However, if a German partner offers the best terms and wins the competition, the decision is simple. On the other hand, we are doing all we can to ensure that other capital also comes into Czechoslovakia—Italian capital, for example. An agreement involving the Cagiva company and ZPA [Industrial Automation Plants] Kolarovo and CZ [expansion unknown] Strakonice has already been signed. They will manufacture small mopeds together. AGIP is using its capital to participate in constructing an oil pipeline from Ingolstadt to Kralupy via Litvinov. We would like to "attract" French capital and also capital from the United States and Canada. There is also the interesting possibility of investors from South Africa.

[Husak] While France came 10th in Czechoslovak foreign trade during the pre-Munich Republic, the United States was pre-war Czechoslovakia's second largest trading partner (after Germany), despite the fact that the distance across the Atlantic was much more insurmountable then. Is it likely that American capital will regain its historical position on the Czechoslovak market?

[Baksay] This is our great wish. At the moment, Europe accounts for 87 percent of Czechoslovak exports. The EC accounts for approximately 40 percent, the European Free Trade Association for 9 percent, and the other European states for 38 percent. Asia accounts for 9 percent and the whole of America (not just the United States) accounts for 2.4 percent. Africa accounts for 1.4 percent of our exports and Australia for 0.3 percent. These figures are very important for us so that we know where to orient Czechoslovakia's trade policy. We would like to greatly expand on U.S. markets this year, and we would also like to see a more significant influence from American capital in Czechoslovakia. The quota limits on our exports of textile products, sporting weapons, and cheeses to American markets have already been increased this year. We will probably make another business-political visit to Canada very soon. At a series of meetings in larger Canadian cities I would like to brief local businessmen and politicians on the opportunities for investing in Czechoslovakia and, vice versa, I would like to create scope for our businessmen on the Canadian market. [passage omitted]

[Husak] Two forms for Czechoslovakia's rapprochement with the European Community have been under discussion for a long time now in political and economic circles. One of them is very close cooperation among the troika countries—Hungary, Poland, and Czechoslovakia—with the aim of creating a kind of Central European economic union that would be incorporated into the EC as a whole. The second is an individual course of action taken by all three countries. To which form do you give priority?

[Baksay] I support a combination of both approaches. Hungary and Poland are our neighbors and have embarked on the same path as we have. We are working together on principles for a possible free trade zone. I say "yes" to the closest possible trade cooperation within the Central European region. On the other hand, I think that one's own economy and one's own foreign trade performance—that is, an individual course of action—always deserve priority.

[Husak] Czechoslovakia recently concluded a treaty on affiliation with the European Community, the so-called Association Agreement. Politicians and economists talk about it as if it is the agreement of the century....

[Baksay] I consider the conclusion of this treaty to be one of the greatest Czechoslovak commercial and political successes of the post-war period. I also consider it to be

one of the greatest successes of the Federal Ministry of Foreign Trade, which played a great part in preparing this treaty. This agreement returns Czechoslovakia to Europe. It gives our country a chance to return to where it was before the outbreak of World War II. During the pre-war period, Czechoslovakia belonged to the "G-7" group of countries, because—according to statistics—the Czechoslovak economy was for a certain period the sixth strongest economy in the world. The Association Agreement was signed so that, during the first phase, sufficient protection will be given to the Czechoslovak market, while, at the same time, allowing very liberal access to EC markets. The Association Agreement represents a launching pad capable of firing Czechoslovakia to where it historically belongs.

Minister Says Foreign Capital Investment Lacking

LD2301155392 Prague CSTK in English 2131 GMT 22 Jan 92

[Text] Prague Jan 22 (CSTK)—Czech Industry Minister Jan Vrba today said $1 billion USD were invested in the Czech Republic in 1991 which is a mere one-quarter of the country's yearly need.

"I cannot see any signs of a big offensive of foreign capital. This is also true of German capital though its share in the $1 billion is dominant", Vrba said. He praised the fact that foreign capital now flows where it is most urgently needed: the automobile and energy industries.

Last year, the German Volkswagen manufacturer created joint ventures with the Skoda carmaker of Mlada Boleslav, Central Bohemia, and the Bratislava automaker "BAZ." Another German company, Siemens, became a partner of the transport and energy divisions of the Skoda Heavy Engineering plant based in Plzen, West Bohemia, and in Prague. At the beginning of January, Mercedes-Benz signed a letter of intent to set up a joint venture with the truckmakers Avia in Prague and Liaz in Jablonec Nad Nisou, North Bohemia.

Vrba said that while people are afraid that German capital will control the Czechoslovak economy, no one cares that the state enterprises, destined for the first wave of coupon privatisation and worth some 250,000 milllion crowns ($8 billion) get into the hands of privatisation investment funds.

"The public does not probably realise what could happen if capital were concentrated in the hands of several investment funds," Vrba said. The investment funds are buying out the coupons for their potentital investors. This might result in a few monopolies controlling the country's economy.

To prevent possible negative effects arising from speculation, Vrba said, the government will set up a working commission to analyse the situation and to initiate adoption by the Federal Government of relevant legislative measures.

Goncz Sends Messages to 'Southern Neighbors'

AU2301155392 Budapest NEPSZABADSAG in Hungarian 21 Jan 92 p 1

[Report by "F.J.Gy": "Goncz Letter to Our Southern Neighbors—We Can Only Prosper Together"]

[Text] Following the recognition of Croatia and Slovenia by Hungary, President Arpad Goncz sent separate messages to Serbian President Slobodan Milosevic, Slovenian President Milan Kucan, and Croatian President Franjo Tudjman.

In his letter sent to Belgrade, Arpad Goncz pointed out that, hoping to contribute to the peaceful solution of the Yugoslav crisis by means of negotiations as soon as possible, Hungary recognized the two countries after the populations of Slovenia and Croatia had expressed their will to assert their sovereignty. The Hungarian Republic clearly declared that it accepted any political solution upon which the affected peoples and ethnic minorities could agree. Hungary is interested in fostering balanced, good-neighborly, and mutually advantageous relations and future cooperation with all its neighbors, including the newly recognized states and the Serbian Republic—the message points out and continues as follows:

"We believe that we can only feel really at home in this part of Europe, that has suffered so much in the course of the past centuries together and in understanding with our neighbors.... I believe that the Hungarian-Serbian cooperation that showed a welcome development in all areas of activity after World War II will continue to develop. I would like to assure you that Hungary regards Serbia and the Serbian people as friends. We have a common fate, and it is in our interest to make use of the advantages inherent in our neighborhood. I offer my support for this, and I also ask your support too."

In his letter addressed to the Slovenian president, Arpad Goncz points out that fruitful cooperation has emerged between Slovenia and some of the Hungarian counties in the Dunantul area in recent years, within the Alps-Adriatic Cooperation. Similar forms of regional cooperation that go beyond our borders could be developed in many areas and could contribute to creating open borders. Hungary is no enemy to any country. We learned that confrontation and discord between small nations only lead to tragedy.

The message sent to Franjo Tudjman reminds him of the fact that the Hungarian Republic did everything in its power to see to it that this war ends as soon as possible. Arpad Goncz expressed his joy over the fact that, in his previous letter, Tudjman had taken a stand in favor of belonging to a common Europe and in favor of the values and principles accepted as general norms today, and that Tudjman had pointedly spoken about a peaceful settlement of controversial issues by means of negotiations—the only acceptable way in a parliamentary democracy. Arpad Goncz appreciates the fact that Zagreb wants to join the CSCE process and accepts all the relevant obligations. It is natural that, within these obligations, Zagreb is focusing on developing cooperation with its neighbors. The Hungarian Republic also attributes great importance to the development of mutually advantageous Hungarian-Croatian cooperation based on realistic interests.

In conclusion, Arpad Goncz expressed his desire to see the wounds of war heal in Croatia as soon as possible, and that Croatia succeed in restoring and rebuilding the various settlements destroyed in the war as soon as possible, and that the Croatian people settle its relations with the other southern Slav peoples and, thus, contribute to strengthening peace in the region.

Jeszensky, Bosnia's Silajdzic Assess Talks

AU2201153392 Budapest NEPSZABADSAG in Hungarian 20 Jan 92 pp 1, 3

[Interview with Bosnian Foreign Minister Haris Silajdzic and Foreign Minister Geza Jeszenszky by Oszkar Fuzes in Budapest on 18 January: "Bosnia Is A Promising Partner"]

[Text] Bosnia-Hercegovina is a very promising economic partner—this emerged at the Hungarian-Bosnian foreign ministerial meeting held on 18 January. President Arpad Goncz also received Haris Silajdzic. After the talks, the two satisfied foreign ministers gave an interview to NEPSZABADSAG.

[Fuzes] Mr. Silajdzic! What issues did you discuss in Budapest?

[Silajdzic] First, we discussed the possibility of international recognition of our independence. I am very satisfied with the talks, and I see that my hosts are very well informed about the current situation in Yugoslavia, including the historical background, and this is very important.

As for the recognition, it is essential for us that, according to the official Hungarian opinion, both Bosnia and Macedonia fulfill the requirements of recognition. We understand that Budapest is waiting for the EC steps.

[Fuzes] What do you expect from the planned referendum on the independence of your republic? Is there any chance of preserving peace in this republic inhabited by Muslims, Croats, and Serbs?

[Silajdzic] We expect the referendum to confirm our independence, something that is in the common interest of all our citizens. As for peace, we hope that a sober mind and honesty will finally prevail among our peoples, who have been living together for centuries, and we will preserve ourselves in a civilized way.

[Fuzes] Are there any useful contacts between the politicians of these three nations after some leaders of the Serbs living there declared the creation of their own state?

[Silajdzic] Of course, we have daily and normal contacts. Our differences of views are huge, but they are not unbridgeable. I hope that those who oppose independence will realize that neither the Serbs nor the Croatians must "lose" the republic if it becomes independent.

We want a stable democracy for everyone and partnership cooperation between the members of the old Yugoslavia.

[Fuzes] Mr. Jeszenszky! What did you experience during the talks?

[Jeszenszky] I came to know an excellent politician and a partner with a firm democratic conviction. In addition to a common tone, we also found common principles, and we discussed the things that we can do to develop our cooperation after the restoration of peace. Until then, we will also act to show the world that there are principles and methods of solving this crisis. Neither democracy nor peace can be forced upon countries "from above," but these things should develop and spread within each country. If "islands" of stability and democracy emerge from Vladivostok over Kishinev, Sarajevo and Zagreb, these islands will grow together sooner or later.

[Fuzes] What hinders the recognition of Bosnia-Hercegovina by Hungary?

[Jeszenszky] Nothing. This republic fulfills the strict requirements of recognition set up by the EC. For us, this republic is also a promising economic partner.

[Fuzes] Do you fear that those in favor of a war might benefit from a delay in international recognition?

[Jeszenszky] There is a real danger of this, but the events in Croatia have perhaps warned those forces that achieved nothing with the war and the mass terror in Croatia. The rights of the Serbian population in Croatia are guaranteed by the Croatian Constitution and by international guarantees, rather than by war and terror. Bosnia-Hercegovina is a good example of the possibility of coexistence between southern Slav peoples even within one country, if the basic democratic and human rights are duly respected.

[Fuzes] Do you have any idea on how to improve the Hungarian-Serbian relations?

[Jeszenszky] It is not true what the press wrote, namely that we are only striving for better relations in words. We can see the facts by reading NEPSZABADSAG. Air traffic, telephone cables, trucks, and even the Serbian-Slovenian trade goes through Hungary. We are proving our good intentions with deeds. We spoke with people in Serbia who were ready to talk, for practical reasons, rather than out of calculations. We saw greater willingness on the part of the Serbian opposition, rather than the government. I also negotiated with Foreign Minister Jovanovic, who was neither apologetic nor accusatory when I brought up the subject of the anti-Hungarian propaganda. We try to talk to everyone, because we simply must. I hope that the Serbian leaders will also recognize the fact that force does not bring results from us, either, just as they are also slowly building up a dialogue with the Croatians.

Discuss SFRY Situation

LD2101211192 Budapest Kossuth Radio Network in Hungarian 1140 GMT 20 Jan 92

[Interview with Bosnian Foreign Minister Haris Silajdzic and Foreign Minister Geza Jeszenszky by Szilveszter Varga after their talks in Budapest; date not given—recorded; Silajdzic speaks in Serbo-Croatian with superimposed Hungarian translation]

[Text] [Varga] My first question is whether you are afraid of the war spreading to Bosnia-Hercegovina as well.

[Silajdzic] We build on the tradition of coexistence, and precisely because this is our tradition, we know how it works. This is a fact and not just a statement. In addition, we formulated the constitution in such a way that coexistence should be included in it. With us there are no minorities, because all three peoples are of equal rank. There is not a single political prisoner in the republic. The press is free, and we hope that by now these are the first steps towards the creation of a modern, European democracy.

[Varga] Yes, but the Serbs have set up their own parliament.

[Silajdzic] In a democracy, several kinds of views take shape. The Serbian Democratic Party, however, has taken some unconstitutional, unlawful steps, but we believe that the majority of the population of Bosnia-Hercegovina, including those of Serb nationality, support independence and would like the relationships between Yugoslav states to be based on new foundations.

Our standpoint is that, as a first step, every Yugoslav republic must be recognized. We propose that after this, a new community of states should be created as an association of independent states. The member countries of the community of states would not tax each other, and people would be able to travel without passports. Unfortunately, at the moment this does not seem realistic, but we trust that economic necessity will eventually be able to correct the political faults.

[Varga] You will soon be holding a referendum about independence. Will you set up a new parliament as well?

[Silajdzic] No. The population will only express an opinion about independence. Bosnia-Hercegovina now has a house of representatives in which nine parties have obtained places; eight of these have voted for independence. The exception is the Serbian Democratic Party, which left the chamber.

[Varga] Have any relations been established between you and the Serbian Democratic Party?

[Silajdzic] Of course. And we must ensure that this is possible in the future too. As I have already said, thanks to all three peoples living in Bosnia-Hercegovina, we have safeguarded peace even in this difficult situation, and I hope that this will be possible henceforth as well. Six months ago we asked the United Nations to help in this, and we hope that the peace keeping forces will arrive in Bosnia-Hercegovina during February.

[Varga] After the discussions, Budapest's position was outlined by Hungarian Foreign Minister Geza Jeszenszky.

[Jeszenszky] In our region, the seeds of freedom survived the winter of communism and are now sprouting. We must foster this positive process, whatever the difficulties, because the sincere attempts among our neighbors to establish democracy and a market economy offers the world and especially Europe enormous opportunities.

Our neighbors include Bosnia-Hercegovina, and although we already knew this, the talks today once again convinced not only myself but also my colleagues—and perhaps through my statement, Hungarian opinion as well—that we have not only the three well-known southern Slav nations but also Bosnia, which is made up of three ethnic groups: Serbs, Muslims, Bosnians, and Croats [as heard], living just a few hundred kilometers to the south of us..

This is an economically well developed country, with a deep political culture and traditions, and democracy there is not just a seed but is already in flower. This is what Bosnia-Hercegovina would like to assert, and its attempts to gain independence follow from this. This by no means excludes continued close cooperation with other southern Slav republics; in fact, independence provides much greater opportunities for this.

At the same time, an independent Bosnia-Hercegovina which is cooperating with its neighbors is a very promising economic partner for Hungary. Some months ago, the Hungarian leadership said that the way for the southern Slav people to create peace is by recognizing and talking to each other as free people, or as free republics on a basis of equal rights. Hungary is ready for this, and I repeated in my article in THE NEW YORK TIMES, which was reported in the Hungarian press, that in our view those southern Slav republics which meet the criteria for recognition have every right to demand recognition.

Keleti on Military Ties With 'New Neighbors'

AU2301181392 Budapest MAGYAR NEMZET in Hungarian 22 Jan 92 p 2

[Interview with Defense Ministry spokesman Gyorgy Keleti by Erno Simon; place and date not given: "Military Relations With Our New Neighbors"]

[Excerpts] New states have emerged in Hungary's neighborhood in recent weeks. The creation of independent armies in the Ukraine, Croatia, and Slovenia is only a matter of time. What does all this mean for Hungary from a military policy viewpoint? Gyorgy Keleti expressed his opinion about these issues. [passage omitted]

[Simon] The fate of an enormous military potential has become uncertain both to our east and south. What security steps could Hungary take in this situation?

[Keleti] Obviously, settling the status and affiliation of the army is the main issue in the Commonwealth of Independent States [CIS] today. If the army does not want to become an independent political factor—and the army cannot become such a factor in a democracy—the officials should clarify the following: Who controls the army? Who gives orders? Where is the boundary between the authority of individual states? The debate on the fate of the Black Sea Fleet also shows the importance of these questions, not only because this fleet is also capable of carrying and using nuclear weapons, but also because, unlike the ground forces, the fleet can also "row to other seas."

The federal army in Yugoslavia is one of the participants in the war on the Serbian side, and it is not difficult to predict that, in the interest of their own security, the first thing Croatia and Slovenia will do is to set up their own independent armies. The distribution of the resources of the former Yugoslav People's Army will also be on the agenda sooner or later.

Both the Hungarian Foreign Ministry and the Hungarian Defense Ministry are striving to build good-neighborly relations with all the countries in our neighborhood, and the friendship and confidence-building military agreements signed with Romania more than one year ago—followed by the CSFR, Austria last summer, and the Soviet Union in December last year—are evidence of all this endeavor. Despite our intentions, no such agreement has yet been signed with Yugoslavia, primarily because Belgrade's refusal and its often strong anti-Hungarian propaganda.

[Simon] Could any agreement of mutual assistance be signed with any of our neighbors in cases of attacking a third party?

[Keleti] This is practically impossible. The task of the Hungarian Army is to defend Hungary, and it cannot carry out combat activity for other interests on the territory of other countries. Naturally, the peace-keeping missions carried out under the auspices of the United Nations are an exception to this rule.

[Simon] Could the simple fact that new states with individual armies are emerging in our neighborhood affect Hungary's military policy, our army's structure, and the deployment of our army units?

[Keleti] No. The current reorganization is connected with the dismantling of the Warsaw Pact, the withdrawal of the Soviet troops, and with Hungary's independent

military concept. There is presently no concrete enemy image. Our Army has the task to defend this country from every side, regardless of who our neighbors are.

National Security Official on Terrorist Acts

AU2301164392 Budapest MAGYAR NEMZET in Hungarian 21 Jan 92 p 5

[Interview with Major General Sandor Simon, general director of the National Security Office, by Szilveszter Haller; place and date not given: "Hungary Is Not An Intelligence Paradise"]

[Excerpts] The national security bill is expected to be debated in parliament as early as this year. The government has approved the document, and it has already been submitted to the parliamentary factions. The intelligence profession expects the bill to make their activity even more legitimate.

The public must be made to accept the use of intelligence methods in justified cases, and the public should recognize the legitimacy of this activity—Sandor Simon said.

The appearance of professional terrorist actions in Hungary proves that the intelligence activity is essential. We asked Sandor Simon whether the press predictions during the Gulf War on Hungary becoming the arena of organized underworld and terrorism in weeks or months have come true:

[Simon] Despite the existing and increasing danger of terrorist actions, no terrorist organization has yet built up a base in Hungary. Of course, professionally disguised representatives of terrorist organizations could be staying in Hungary, namely people who live here or people who can enter Hungary anytime. They can even be irreproachable people who are just looking around and gathering information. Our goal is to deprive the mafia-type crimes of any basis here. Therefore, those who thought that, because of the weakness of its intelligence service, Hungary would shortly become a paradise for the world intelligence agencies and a basis for the underworld, complete with meetings between the Russian and Italian mafia and tough Polish criminals, were hasty in their predictions. [passage omitted]

[Haller] The world is concerned about the collapse of the Soviet Union and afraid that military secrets could leak out "under the barriers," secrets that could get into wrong hands and could thus endanger international stability. The demand for arms on the part of countries with a socialist arsenal, countries that are now left without spare parts, also presents a problem. Are there any contacts between the intelligence agencies of the post-Soviet states and the Hungarian national security?

[Simon] In addition to the aforementioned "articles," demand has also increased for scientists who are now in the so-called free market. We have had no contacts with their intelligence agencies since the collapse of the Soviet Union. Cooperation was limited to avoiding terrorist actions, but this process stalled after the changes. The intelligence agencies of the former socialist countries, including Russia, Romania, Bulgaria, the CSFR, Poland, and Albania, held a meeting in Sofia in December 1991. We all agreed that we would be ready to cooperate with the devil himself if the issue was to curb organized crime, terrorism, drug traffic, and illegal immigration.

Former Official Comments on Army Restructuring

AU1901162392 Budapest NEPSZABADSAG in Hungarian 13 Jan 92 pp 1, 4

[Interview with Major General Lajos Kondor by Peter Vajda; place and date not given: "Training Leaders Brought into the Ministry"]

[Excerpts] Major General Lajos Kondor recently resigned from his position of deputy state secretary at the Defense Ministry because of differences of views. [passage omitted]

[Vajda] What happened after the change in the regime? How much of what you predicted has actually happened?

[Kondor] Some concepts materialized partially. One such subject is our military policy trend; another subject is our national military doctrine or our defense principles, which are already on the Parliament agenda awaiting debate. These principles contain more or less what we thought before the change in the regime. However, relatively little has materialized in other areas, like the structure, organization, operation, and leadership order of our army.

[Vajda] This is rather general. In your view, what should be different, and how?

[Kondor] First of all, I think we need a more rational army structure. I must say that I became an official of the Defense Ministry in July 1991, and basic conceptual differences emerged from the beginning between the leaders of our Armed Forces and some of us. The leaders of our Armed Forces thought, and I think they still think, that our Army is in a difficult situation today and, therefore, it should not be disturbed too much, but we should wait for more opportunities for modernization and development. In the meantime, we should practically save the existing framework, and I mean this professionally, not politically. However, my opinion is that, precisely because of this difficult situation, we should concentrate the existing possibilities and resources from our small defense budget to create a small core within the Army as soon as possible, during peacetime, a professional force capable of dealing with certain conflict situations immediately; we should also begin building an area defense system as soon as possible. In other words, we should not maintain units whose combat and technical equipment can hardly be used and their staff is not properly trained; and we should particularly refrain from maintaining institutions and leading organizations that do not play a considerable role in Hungary's defense.

[Vajda] If I understood you correctly, you think in terms of an army that resembles a professional army.

[Kondor] Yes, an army mostly made up of professional soldiers, including conscripts. This is a small force in peacetime.

[Vajda] Would this army resemble the Swiss Army?

[Kondor] It is difficult to compare it this way. Perhaps it would slightly resemble the Austrian Army. The Swiss Army is a unique type.

[Vajda] Have you made any calculations? Could such a restructuring be carried out from the same amount of money currently at the disposal of our Army?

[Kondor] I think so, yes. Of course, these changes cannot be introduced immediately, because defense activity cannot stop; however, we should begin with this process of restructuring at a much greater pace and much more courageously than before. Besides, Parliament is expected to debate the basic defense principles, and these principles in fact contain this concept. The problem is that, in the meantime, a decision was made on the reorganization of our army, and this is not in harmony with the defense concept, either. [passage omitted]

Finance Ministry Publishes 1992 Economic Forecast

AU2201185392 Budapest MAGYARORSZAG in Hungarian 20 Jan 92 p 7

[Report by Laszlo Doczy: "1992 in Figures—Domestic Consumption Will Stop Decreasing"]

[Text] In 1992, gross domestic product can increase by 2 percent at the most, and, within this, the several-year long slump in industrial production will probably end and may be at 1 or 2 percent, depending on demand and mainly on exports. A Finance Ministry forecast on 1992 economic processes contains this information.

In the whole economy, without the deterioration of external balance, more than 1 or 2 percent growth can only be achieved by a more dynamic export growth and, in relation to this, an increased domestic demand supported by performance.

All in all, a humble 0 to 1 percent growth is likely in domestic consumption. Its major component will be domestic personal consumption and, according to the forecast, after the lowest point in 1991, it will not continue to decrease; in fact, a small 0.5 to 1 percent increase might start. In accordance with the national budget targets, communal consumption will decrease by 2 percent, while government investments will be reduced by a further 8 to 9 percent. Investments of economic units will probably increase by 3 to 4 percent. According to the budget law, the budget expenses will be 1,051 billion forints. Its income will be 981 billion forints; therefore, the planned budget deficit will be 70 billion forints.

The forecast expects a 6 to 9 percent increase in exports, and this might be the main demand-side pulling force for economic growth. Within this, traditional exports in convertible currencies will increase by 8 to 10 percent, and our exports to former CEMA countries probably will not decrease considerably. Because of the financing requirements, the import growth cannot exceed 3 to 5 percent.

In 1992, according to the forecast, $1 billion to $1.5 billion more working capital will enter Hungary that, in addition to boosting production, also eases the tensions of the foreign payment balance. This way, the international payment deficit cannot exceed $500 million. To achieve this, taking the other current items into realistic consideration, $400 million to $500 million excess imports can be realized, which assumes a $300 million to $400 million improvement in foreign trade balance.

Some 14 to 18 percent increase is expected in producer prices and 20 to 25 percent increase in consumer prices. Compared to 1991, earnings will be 15 to 16 percent higher, gross incomes from work—based on the reduction in the number of employed—will grow somewhat faster, by 21 to 22 percent, and average net pay will be 19 to 20 percent higher. In accordance with the reforms and the curbing of budget expenditure, some 5 percent reduction is expected in the social benefits in kind—namely health, educational, and cultural services.

The structure of income spending will change, because the proportion of money savings and investments in apartments will decrease and the proportion of personal consumption will increase. The net savings of the population worth 160 billion to 180 billion forints will continue to considerably contribute to financing the budget and the economic units. Last year's trend in money savings—decreased proportion of deposits and increased proportion of stocks and shares—will probably continue. As an average for 1992, the forecast expects a 4 to 5 percent reduction in interest rates.

The number of people employed is expected to decrease by another 5 percent in 1992, due to the accelerated change of structure, strengthening privatization, and measures introduced by enterprises to rationalize production and increase efficiency. Most of the released people will become unemployed. The average number of unemployed is expected to be approximately 450,000 to 480,000 in 1992. As a result of the increased unemployment, unemployment benefits will be the most dynamically increasing element of overall incomes.

'Rumors' on Limited Russian Gas Supplies Reported

LD2301205592 Warsaw PAP in English 1908 GMT 23 Jan 92

[Text] Warsaw, Jan. 23—Government spokesman Marcin Gugulski neither confirmed nor denied on Thursday rumours on Russia's limiting gas supplies to Poland. Neither did he answer a question whether this issue was discussed by Premier Jan Olszewski and Russian President Boris Yeltsin on the phone.

"The supplies of oil and gas by the Commonwealth of Independent States is the matter of foremost concern for the Polish Government and in the focus of its most intensive activities, these problems should be settled in talks which should take place as soon as possible," he said.

Talks on Troop Withdrawal, Russian Treaty Viewed

LD2401053192 Warsaw PAP in English 2256 GMT 23 Jan 92

[Text] Moscow, Jan. 23—Poland's treasury will not be burdened by the cost of withdrawing the Russian Northern Army group from Polish territory, according to Andrzej Ananicz, the head of the Polish delegation which was in Moscow on a mission mainly concerned with preparing a Polish-Russian treaty.

Speaking at the end of the three day consultations, Ananicz, who is also director of the European Department of the Foreign Ministry, was reacting to rumours that the Russian side had asked Poland to pay Russian officers money to help provide housing for them when they returned home.

On the forthcoming treaty, Ananicz said that the main body of the work had been finished. The talks also dealt with economic cooperation regarding Russian energy supplies to Poland and access for Polish fishing vessels to the fishing areas of the Okhotsk Sea. At the core of the Polish-Russian treaty are Polish proposals made to Russia last December and the initialled agreement between Poland and the USSR, also from last December, some of which Russia, as a state having continuity with the former USSR, included in the treaty.

In the name of Foreign Minister Krzysztof Skubiszewski, the Polish delegation confirmed that the chief Russian diplomat, Andrey Kozyrev, had been invited to visit Poland. Neither the date of the visit nor the date for initialling the Polish-Russian treaty had been settled, said Ananicz, since experts on both sides had still to work through a number of agreements concluded between Poland and the former USSR.

Defense Minister Parys Receives Military Attaches

AU2201131392 Warsaw POLSKA ZBROJNA in Polish 20 Jan 92 p 1

['jem' report: "New Year's Meeting With Military Diplomats"]

[Text] Although January is coming to an end, this is when the Ministry of National Defense leadership held a New Year's meeting with the military diplomatic corps accredited to Warsaw at the ministry's Conference Center.

The meeting was hosted by Defense Minister Jan Parys and his spouse, accompanied by Vice Ministers Bronislaw Komorowski and General of Division Zdzislaw Stelmaszuk. Also present were generals in charge of the ministry's central offices, commanders of military districts, chiefs of armed services, and heads of military academies.

Welcoming the invited defense, military, naval, and air attaches, Minister Parys thanked them for their congratulations following his appointment to the defense minister post. In his speech he emphasized that international security can only be established by means of cooperation between all countries, and that Poland will encourage this cooperation just as it has so far. "Your work and mine serve this objective," he said. During the period of difficult reforms in Poland, our country is also counting on the assistance and support of foreign attaches in the development of international military relations, Minister Parys continued. For this he thanked the assembled attaches, assuring them that he would do all he can to make their work in this sphere as smooth as possible. Wishing them best New Year wishes, the minister also conveyed wishes to the defense ministers of the respective countries.

In reply, Major General Jaroslav Nahalka, Czechoslovak military and air attache and dean of the military diplomatic corps, wished Minister Parys success for Poland and all Polish Army soldiers. General Nahalka also said that the attaches would continue to act for the sake of confidence and cooperation between our armed forces and countries.

The meeting took place in a warm and friendly atmosphere. It was the first time for many years that a defense minister had held a New Year's meeting with military attaches.

Olszewski, Mazowiecki, Bielecki Meet Walesa

LD2301235992 Warsaw TVP Television Network in Polish 2150 GMT 23 Jan 92

[Statements by Prime Minister Jan Olszewski and former Prime Ministers Tadeusz Mazowiecki and Jan Krzysztof Bielecki, after a meeting with President Lech Walesa at the Belvedere Palace on 23 January—recorded]

[Text] President Lech Walesa received this evening at the Belvedere Palace the three Solidarity prime ministers, Tadeusz Mazowiecki, Jan Krzysztof Bielecki, and Jan Olszewski. The almost two hour-long meeting was devoted to discussion of the country's political, social, and economic situation, said presidential press spokesman Andrzej Drzycimski—the common good demands the minimalization of political antagonisms. We are counting on the continuation of such meetings, added the spokesman:

[Olszewski] The communique specifies very precisely the subject matter that was the agenda of the meeting. (?This was) an exchange of views related strictly to that subject that was conveyed to you in the communique.

[Mazowiecki] You know that we met with the president first, Prime Minister Bielecki and myself, and in the evening we met with Prime Minister Olszewski. We wanted, in this way, to very clearly stress the fact that our talks with the president are not some recreation of a new version of a war at the top only; they are not directed against anyone at all. They are only normal consultations of people who have something to say to each other.

[Bielecki] If we lose ourselves in an atmosphere of conflicts and antagonisms, then we will prove to society that the last two years are a wasted period, that frustration and apathy are completely justified, and that the future is completely unclear. We would to leave this rhetoric behind, this method of thinking about Poland. We would like to think in the categories of the future. We want to build the best possible atmosphere for this, the best possible atmosphere in talking with the president and also in talking with the present prime minister so that this takes place in accordance with the constitutional course of things, in accordance with the spirit of democracy, but that it should simultaneously serve concrete thinking about the future.

Drzycimski Views Talks

LD2301221192 Warsaw Radio Warszawa Network in Polish 1317 GMT 23 Jan 92

[Statement by presidential press spokesman Andrzej Drzycimski on 23 January; place not given—recorded]

[Excerpts] The president has invited to the Belvedere the former prime ministers, Mr. Tadeusz Mazowiecki and Mr. Jan Krzysztof Bielecki, with whom he was closely involved because both of them were recommended by the president. [passage omitted]

The meeting was very interesting and important. During the meeting, the difficult and complex situation in Poland and the problems facing certain groups and the whole of our country were discussed. The need for essential joint actions was also discussed. The need to meet in this group was also recognized—that is the two prime ministers and the president with the present Prime Minister Jan Olszewski—in order to discuss what, in their opinion, is most crucial and important for the state at the moment. The situation is serious enough for all the forces and issues that somehow divide us to be moved to the background. The most important thing now is to enable the state to function and to implement scheduled plans and the lofty goals of change in Poland.

The meeting will reconvene in the evening, and I hope that the three prime ministers will also be able to talk to the press after this meeting.

Caucus Positions on Provisional Budget Noted

LD2301141192 Warsaw PAP in English 0012 GMT 23 Jan 92

[Text] Warsaw Jan 22—On the eve of the Sejm (lower house) plenary meeting, parliamentary caucuses adopted Wednesday their stands on the provisional budget for the first quarter of 1992, to be examined by the chamber Thursday.

The Christian National Caucus (ZChN), the third major force in the Polish Parliament, is going to support the draft, and so are its allies: the Peasant Agreement (PL) and the Centre Alliance (PC). Also the biggest caucus in the chamber, the Democratic Union (UD) and the Liberal Democratic Congress (KLD) both will vote in favour of the draft.

On the other hand, the Solidarity Caucus, that of the Confederation for an Independent Poland (KPN) and the majority of MPs [members of parliament] from the second largest group in the chamber, the Democratic Left Alliance (PKLD) decided to vote against.

In the opinion of ZChN deputies, budgetary revenues can be radically improved by the introduction of a tax from communists, members and officials of the now defunct Polish Communist Party (PZPR), with the amount of the tax dependent on privileges connected with the position they occupied in the party hierarchy. For example, former secretary of a basic party organization would have to pay 2 million zlotys (some 180 USD, or just under an average monthly pay in this country) but the PZPR first secretary as much as 200 million zlotys (180,000 USD.)

This tax alone would contribute as much as 2 trillion zlotys (180 millions U.S. dollars) to the budget a year, the authors of the proposal argued and added that the tax would also cover people who gained profits by taking advantage of loopholes in the Polish law, and those guilty of economic fraud. The Polish Peasant Party (PSL) caucus said it would soon present in the Sejm its own proposals how to obtain budgetary proceeds at a shorter and longer run.

The Presidium of the Sejm decided to reduce the budget of the Sejm Chancellery in the first quarter of 1992 by 34 per cent but warned that this would delay modernization of the offices and reduce the quality of servicing the lower house.

Meanwhile, the Sejm Committee for Health discussed the contribution of the World Bank to the implementation of reforms in the Polish health service system. The World Bank is expected to give Poland a loan of 200 million U.S. dollars for basic health care and management, and additional 1.5 million dollars for decentralization of Polish health service.

The Sejm Committeee for Constitutional Responsibility discussed proposed amendments to the law on the tribunal of state in order to define responsibility of the

president of the republic for violating the constitution, and his impeachment if he happens to violate law.

The Sejm Committee for National Defence urged the Government to examine the situation in the Polish arms industry. The commission prepared its own proposals to help this branch recover, and some Polish commercial banks declared readiness to grant major credits for arms industry and agriculture.

The Sejm Committees for Mass Media and Legislation accepted President Lech Walesa's motion to reject the law on radio and television on the grounds that it does not take into account public television, and does not correspond to the legal system in Poland. It was agreed during a meeting of the Senate Presidium and Government that the latter will promote some Senate-backed legislative initiatives, among them a modified version of the law on privatization.

As for candidates for the chairman of the Supreme Chamber of Inspection (NIK), Zbigniew Romaszewski will be supported by the Solidarity deputies, the peasant agreement opts for Henryk Klata of ZChN, and the Liberal Democrats are for the UD's candidate, Andrzej Gaberle.

Government Establishes New Economic Committee

LD2201221392 Warsaw PAP in English 2256 GMT 21 Jan 92

[Text] Warsaw, Jan. 21—The Polish Government decided Tuesday to earmark 10 billion zlotys (over 900,000 U.S. dollars) from its reserves for humanitarian aid to the states of the former Soviet Union, and expressed hope that part of the international aid funds will be destined for purchases of Polish foodstuffs for those countries.

At its weekly meeting here the government recognized the republics of Croatia and Slovenia as independent states and declared its readiness to establish diplomatic ties with them.

A new body was called into being during the meeting, namely the Socio-economic Committee of the Council of Ministers (KSERM) that replaced the former Government Economic Committee (KERM). It is composed of three persons: head of the Central Planning Office (CUP) Minister Jerzy Eysymontt as the KSERM chairman, and Finance Minister Karol Lutkowski and Labour Minister Jerzy Kropiwnicki as permanent members. The president of the National Bank of Poland (NBP) will be among regular participants in KSERM meetings.

"By creating KSERM the cabinet underlined that economic issues are directly connected with social matters," Eysymontt commented.

The government intends to submit general assumptions of the 1992 draft budget and modified assumptions of socio-economic policy to the Sejm (lower house) by February 15, Eysymontt told newsmen and added that the complete draft budget would be ready no sooner than at the beginning of March.

Progress in work on this task, which Eysymontt termed as "very difficult," will be examined thoroughly at the meeting of the cabinet scheduled for next Tuesday.

At present the work is focused on finding additional sources of budgetary revenues and possibilities to set in motion recession-fighting mechanisms. In his opinion recession should be checked completely still this year, thus creating "durable foundations for economic development in the years to come," Eysymontt said. In near future the government also plans to present a draft of the socio-economic programme till 1994.

For the time being the cabinet accepted and decided to submit to the Sejm six of the 22 draft laws left over by the previous cabinet, including one on the protection of state and official secrets. Of three military draft laws also accepted today, one concerns a new wording of the soldier's oath. While taking the oath soldiers will pledge loyalty to the president of the republic.

Olszewski Interviewed on Economic Reforms

PM2301160692 Paris LE FIGARO in French 21 Jan 92 p 3

[Interview with Prime Minister Jan Olszewski by Irina de Chikoff and Christophe Turowski in Warsaw; date not given]

[Text] [LE FIGARO] There are 29 parties represented in the Sejm. But 60 percent of the voters failed to vote in the parliamentary elections on 27 October. President Lech Walesa only gives you a 50 percent chance of success. In these conditions, do you not have to be some kind of kamikaze to accept the post of prime minister?

[Olszewski] General de Gaulle said that it is very difficult to govern a country that produces 230 different kinds of cheese. As we have fewer cheeses than political parties in Poland, I am not in such a bad position. As for being a kamikaze, I am not the only one because, despite the problems of recent months, I have managed to form a cabinet. The crisis that we have just experienced was not structural. It was the result of three temporary factors—elections held too late, the type of electoral system chosen, in other words full proportional representation, and, finally, lack of democratic experience.

[LE FIGARO] During the election campaign, the Centrum and the christian and national parties which support you put the emphasis on "decommunization." There was also talk of trying General Jaruzelski, who imposed martial law in December 1981. Do you think that these are pressing matters?

[Olszewski] "Decommunization" is a fundamental problem. The aim is to clean up the structures and not attack individuals or members of the old regime.

"Decommunization" means rooting out the remains or vestiges of the communist era because they are incompatible with the reforms.

[LE FIGARO] The centrist coalition strongly criticized your predecessor's liberal policy and the voters also expressed their refusal to continue with the "shock treatment." But you said that "the course of reform" would be maintained. How do you intend to proceed?

[Olszewski] The main outlines of the economic reforms will be maintained, and all the political parties support them. There is disagreement on the methods. The two previous liberal governments thought it was enough to liberalize and to open up the country's borders to create a free market. After two years' of experience, I think that mechanism has revealed its limits. On the one hand, the unprofitable enterprises have not automatically disappeared under the effect of competition from foreign products. On the other hand, the private sector is still weak.

[LE FIGARO] You said that you intended to fight against the recession and unemployment. Do you have the necessary means for successfully implementing a social policy?

[Olszewski] We have little room to maneuver. There is a risk of reviving excessive inflation. Does this mean that we should do nothing about the recession? One of my aims is to create the right conditions for the investment of foreign and Polish capital.

[LE FIGARO] A wave of strikes is spreading through the country. What attitude will you take if this turns into a tidal wave?

[Olszewski] If the strikers succeed in making me back down on price increases, especially for rent and energy, or make us increase wages by printing more money, I and my government will resign. But I am still optimistic. I know that a section of the population is on the poverty line. I know that many people are at breaking point. However, I still have confidence in Polish society's instinct of self-preservation. It will not go so far as to destroy what has been achieved and endanger what remains to be done.

[LE FIGARO] You experienced all the stages of Solidarity. The movement enjoyed immense confidence. Has it been completely ruined by the different political parties which succeeded Solidarity?

[Olszewski] We were better prepared to fight communism than to rebuild the country.

[LE FIGARO] What did you feel when the USSR ceased to exist?

[Olszewski] Orwell was only out by six years. The end of the communist system did not surprise me. I was just surprised by the speed with which the Soviet Union disintegrated. The Poles, who are neighbors of the old empire, can only anxiously watch the events taking place there. But, for the first time, we are not alone with our fears. We share our anxiety with the whole of Europe and even with most of the world. For us, that is almost a luxury.

[LE FIGARO] Were you disappointed by the Maastricht meeting? Did you hope for a more rapid integration of Poland, Hungary, and Czechoslovakia into the EC?

[Olszewski] However, the West views our three countries, whatever the Community structures, we feel European. Even if the disintegration process in the former USSR speeds up, we will continue to be anchored on the right shore.

[LE FIGARO] What do you think of the recognition of Croatia and Slovenia by Germany and then by the rest of the EC? Do you believe in the renaissance of what was Mitteleuropa?

[Olszewski] I am not one of those who think that old demons can return. It is easy to make historical analogies, but we must take account of Europe's new structures. They are strong and will survive the nationalist upheavals. European civilization will win the final victory.

Teacher, Rail Worker 'Protest Actions' Reported

LD2401083192 Warsaw PAP in English 1935 GMT 23 Jan 92

[Text] Warsaw, Jan. 23—Teachers from the majority of schools in the northern Polish province of Olsztyn started Thursday morning a protest action following a call by the Polish Teachers Union (ZNP) regional board.

Also on Thursday, some 15 passenger trains and 21 cargo were stopped at the biggest Polish railway junction of Tarnowskie Gory (southern Poland) as the crew staged a one hour warning strike, dissatisfied with the results of talks between the railway "Solidarity" union presidium and representatives of the Silesian railway management on the employment policy.

Meanwhile, the Federation of the Polish State Railwaymen trade union issued an appeal to all trade union organizations insisting on "starting talks to reach a compromise on joint, more effective activities". However, deputy chairman of the "Solidarity" trade union Barbara Niemiec said that, in terms of union pluralism, joint protest actions have no rational grounds".

Also on Thursday, governor of the southern Polish province of Wroclaw Miroslaw Jasinski told newsmen that negotiations with banks on the frozen accounts of the aviation industry enterprise Pzl-Hydral succeeded and the crew, of 2.5 thousand people will soon get their salaries.

A hunger-strike initiated last Monday by six "Solidarity" union members at the cement plant in Tarnobrzeg (south-eastern Poland) was suspended on Thursday following government guarantees that the supervisory board would recall the company's management, a move which was demanded by the striking workers.

Interior Minister Holds First News Conference

AU2301114592 Warsaw POLSKA ZBROJNA in Polish 21 Jan 92 pp 1-2

[Zdzislaw Lasota report: "Determined Action On The Way"]

[Text] The chief dangers to the country's security are posed not by social attitudes, strikes, and protests, but by distortions in the development of administrative and economic structures, said Interior Minister Antoni Macierewicz at his first news conference on 20 January, which attracted many journalists.

Acknowledging the work and ideas of his predecessors, Minister Macierewicz announced, among other things, the expansion of a police branch devoted to the fight against corruption and economic crime. He also announced the solving of problems besetting the Fire Brigade, and broader access by the public to Interior Ministry medical facilities. He announced tighter rules on the granting of concessions to sell weapons and on the creation of detective bureaus. A new law on the protection of state secrets is urgently required, he said.

Two major financial scandals—that involving the "Art B" company and the case of the money misappropriated from the Foreign Debt Servicing Fund—will be resolved within three months, said the minister. It is the end of the road for other scandalmongers as well, he said.

Macierewicz said that for the sake of the security of citizens and the state, it is important to set in motion an efficient system of information, tighten controls on the eastern border, and reestablish the police's prestige. A policeman must be above all suspicion, he said.

He considered it important to create a separate system of character references for high-ranking state employees, and presented his view on whether or not former security service collaborators should be disclosed. In his opinion, all high-ranking state and parliamentary employees who were collaborators should have the opportunity to resign their posts.

The state's political elite must be morally clean, but the Interior Ministry sees no need to release all files, said the minister. Nevertheless, he foresaw the possibility for every citizen to find out what his file contains. As far as state interests are concerned, whether or not a person in a supervisory position once collaborated with the security services is not so important, unless he occupies a very senior post. Absolute trust is required today, said the minister.

Minister Macierewicz said that Poland is still easy for foreign intelligence services to penetrate. He confirmed that drugs are being produced in and smuggled into Poland. This dangerous phenomenon is under control, but the forecast for an effective struggle against it is gloomy.

The minister promised no new mass personnel reductions or reviews, but made it clear that the dark side of the Interior Ministry's activity must be revealed. After all, he said, for 50 years the Interior Ministry was a symbol of evil, and to an enormous extent a perpetuator of evil.

Security Situation Called 'Highly Unsatisfactory'

LD2201193192 Warsaw PAP in English 1912 GMT 22 Jan 92

[Text] Warsaw, Jan. 22—At the Wednesday meeting of the Sejm's Committee for Administration and Internal Affairs, head of the Internal Affairs Ministry Antoni Macierewicz defined the current state security condition as "highly unsatisfactory"

Addressing the deputies, Macierewicz explained that the decreasing efficiency in activities of the state administration offices resulted from their employees' low earnings and lack of faith in the right direction of state policy. The internal affairs minister announced that new candidates for heads of both the police force and fire brigades are to be presented within two weeks and a new draft law on pensions for the Internal Affairs Ministry officials and career soldiers is to be forwarded to the Council of Ministers in the coming days.

The committee discussed also, although without taking a final stand, the implementation of the law on the state fire brigades which was supposed to come into effect as of January 1, 1992. Following the lack of funds, the Internal Affairs Ministry forwarded to the government draft amendments to this law, postponing its implementation till January 1, 1993.

Macierewicz reported also that the ministry is working out proposals of amendments to laws on both the police force and the office for state protection, aimed at more precise division of the scope of competence in combatting economic affairs, as well as other amendments related to laws on personal data protection, weapons and explosives.

Part of the committee's debate devoted to pathological phenomena in the police force was closed to the press. Deputy Jan Rokita commented later that "Macierewicz does not think that the police are totally corrupted."

Iliescu on Upcoming Meetings With Snegur, Zhelev

AU2301180692 Bucharest ROMPRES in English 1739 GMT 23 Jan 92

[Text] Bucharest ROMPRES, 23/1/1992—In a statement made at Cotroceni Palace on January 23, Romania's President Ion Iliescu mentioned in connection with his interview on January 25, at Ungheni with President Mircea Snegur of Moldova, that it "is part of the string of contacts that have become usual, regular by now, between the two republics."

"I want to approach all of the issues regarding the relations between the two Romanian states in the new context, now that the independent statute of the Republic of Moldova has gained full confirmation and, in this context, the way in which we collaborate, to deepen the relations in every domain, so as to promote what President Snegur called the 'natural integration' in the economic, political, cultural and human domains between our countries. I am telling this taking account also of certain distortions of an interview I have given with the Associated Press about the prospect of union of the Romanian territories. I said it was an inevitable historical process, but that it was concrete historical conjuncture that would decide how it would proceed. And, in politics, we must be realistic, take realities for what they are. What is important now is to consolidate the first step, namely Moldova's independence and the development of the bilateral relations in every domain. This will be the most concrete way of building our unity in facts and not in words, in slogans."

"The 27 January meeting with the Bulgarian President Zhelyu Zhelev is an idea that I last discussed with him in Paris," President Ion Iliescu of Romania said in his statement on 23 January. "Elections were held in Bulgaria and we agreed after the treaty was initialed by our foreign ministers that a summit would take place as soon as the opportunity arose and that the treaty between the two neighbour countries would also be signed then. We regard this as a significant political moment for growing, better relations between our two neighbour countries. We do not have disputes with Bulgaria, and bright spots prevail in the history of our relationship, cooperation and mutual confidence. We think the signature of the treaty will strengthen the basis for a future development of those relations in the mutual interest, the president of Romania said.

Left-Wing Union To Run in Local Elections

AU2301161692 Bucharest ROMPRES in English 1332 GMT 23 Jan 92

[Text] Bucharest ROMPRES, 23/1/1992—The press office of the Democratic Left Union [UDS] sent a communique to ROMPRES on the news items printed by some newspapers and broadcast by the radio and television in connection with the composition and participation of the Democratic Left Union in the February 9 election which assesses as "ununderstandable and illegal the interference in the political life of the Democratic Left Union which, since its creation, has declared itself open to any party, political or professional group which, espousing its platform-programme, want to join it." In that context the communique shows that "political alliances are not legally obliged to register with a court. Neither the constitution nor the election law stipulate such a provision and consequently how could any court impose to a political alliance whom it should or should not admit as a member, as mass media assess. Therefore the UDS Coordinating Council is of the opinion that such practices belong to the arsenal of the political diversion against leftist political forces and energetically protests against such anticonstitutional and antidemocratic actions."

The Democratic Left Union is made up of the National Unity Party, the Socialist Party of Labour [PSM], the Socialist Democratic Party, the Neoliberal Movement, the General Association for the Safeguarding of the Right To Work.

Electoral Political Alliances Formed in Bucharest

AU2301161992 Bucharest ROMPRES in English 1327 GMT 23 Jan 92

[Text] Bucharest ROMPRES, 23/1/1992—Seven electoral alliances have been formed in Bucharest Municipality for the February 9 local elections, the January 23 issue of daily "COTIDIANUL" informs quoting a judge in the election commission of Romania's capital city. One of these alliances is the Democratic Alliance made up of fourteen political and apolitical formations among which the Christian-Democratic National Peasant Party, the National Liberal Party, the Romanian Social Democratic Party, the Romanian Ecological Party, the Hungarian Democratic Union of Romania and the Civic Alliance Party. The Democratic Convention is an opposition coalition. On the same political side is the coalition of democratic forces made up of the Party of the Romanian revolution, the Radical Civic Union, the Conservatory Party, the Democratic Party.

Another electoral coalition is the United Democratic Opposition joining six formations: The Confederation of the December Revolution Organisations, the Progressive Democratic Party, the Romanian National Party, the Romanian Democratic Party, the Party of Petty Entrepreneurs and of Free Initiative and the Christian-Democratic National Peasant Party-Independent, in Craiova.

The Romanian Ecological Movement and the National Ecological Party candidate under the name "Ecologists."

Another coalition is the Romanies' Alliance, including all the formations of the Romanies in Romania.

There has been set up a Centre-Leftist Alliance made up of the Independent Social Democratic Party, the Cooperatist Democratic Party, the Republican Union and the Democratic Party of Labour.

The Democratic Left-Wing Union is another coalition set up for the February 9 local elections including the Neoliberal Movement, the Romanian Party for the New Society, the Romanian Socialist Democratic Party, the Democratic Front of Romania and the General Association for the Protection of the Right To Work. This coalition also includes the Socialist Party of Labour which is not allowed to participate in the local elections because it had not been legally registered.

"COTIDIANUL" appreciates that the most powerful adversary of the present government party—the National Salvation Front—for the February 9 local elections is the Democratic Convention.

Dijmarescu on Roman Government Alleged Mistakes

AU2301182692 Bucharest ROMANIA LIBERA in Romanian 15 Jan 92 p 2

[Virgil Lazar article: "Very Many Members of the Roman Government Were Making a Personal Policy"]

[Text] Mr. E. Dijmarescu went to Cluj to inflict the "line of the Executive Bureau for the local elections" upon the National Salvation Front. Mr. E. Dijmarescu, in an interview with the ADEVARUL OF CLUJ, also mentioned the Roman-Iliescu relationship. Answering reporter Boris Sergie's remark ("I believe that Mr. Iliescu in a way utilized of Mr. Roman") Mr. Dijmarescu said: "No, I do not think so.... I believe that they started off together. The fact that Mr. Iliescu publicly supported the policy of Mr. Roman's government proves that he is a supporter of the reform. Unfortunately it seems that he has some advisers who are as stupid as Mr. Roman's advisers used to be, and who now make Mr. Iliescu distance himself from what he had initially supported. However, in certain moments I believe, when he tries to control or suggest certain actions to the government, something that does not fit the rules in a separation of power" he is also mistaken.... As far as a possible coalition between the FSN and the Party of National Unity of Romanians [PUNR] is concerned, Mr. Dijmarescu said: "First of all, any kind of coalition that means a certain fusion of ideas suits the Front.... And as far as a possible alliance with the PUNR is concerned, if it is necessary to counterbalance an alliance of the Hungarian Democratic Union of Romania with the National Liberal Party or with the National Peasant Party, then.... However, I would like to tell you that I do not support a coalition between the Front and the PUNR because on the issue of equality of rights. It is advisable to consider a political and not an extremist action. I have the feeling that the PUNR is stressing too much this issue of opposing Romanians to Hungarians, and I believe that at the moment we need them both and the right of each side to gain the respect of the other side should be ensured through political means and through the law."

What is Mr. Dijmarescu's personal opinion about Mr. Roman? Here it is: "I see Mr. Roman as a soft person, and this could also be seen during his administration, when he had a rather monocolor government (even if some of them were, so to say, rather independent), and instead of leading a coherent policy—through the force that should have come from the prime minister—I noticed that during this government many of these members were making a personal policy. (Good that somebody at least admits it now, but was vehemently denied during his time—editor's note). Thus, does Mr. Roman need a little fortification? Because, if you have a certain responsibility toward the nation, and you want to complete your mission that was endorsed by the electorate, you should be a little bit tough...." Mr. Dijmarescu, in the above-mentioned interview also mentioned a few things about Mr. Stolojan, saying that "...I believe that if Mr. Stolojan remains an independent, we will have to continue or after the general elections establish a government with a more marked political orientation. Politics should be a priority.(...) As an independent you either join a party or you step aside."

These opinions coming from "the center" are really interesting....

Government Spokesman Addresses Economic Issues

AU2301182992 Bucharest ROMPRES in English 1736 GMT 23 Jan 92

[Text] Bucharest ROMPRES, 23/1/1992—Government spokeswoman Iolanda Staniloiu gave her weekly news briefing at Victoria Palace on January 23. The briefing focussed on the government's actions to combat profiteering and monopoly prices with meat, meat products and preparations and diary, that were discussed in the government's meeting the previous day. The spokeswoman presented the main aspects revealed by the check up made by ministry experts in several units in Bucharest and Ilfov agricultural sectors, comprised in a government release.

Journalists were also presented the experts' considerations on the law on local elections. Iolanda Staniloiu mentioned that all those considerations were made known to the democratic convention and to the Central Election Commission. Also, she told that an auction of assets was held in Vrancea County, under the patronage of the National Agency for Privatization.

The government spokeswoman also showed that the government endorsed a number of bills for the ratification of treaties signed in 1991 that fell within the new structure of the interstate relations being engineered in Europe.

Iolanda Staniloiu also informed about the proposal made by the Ministry of Health that a hospital for transplant patients with some 200 beds be built in Romania by cooperation with an Italian firm.

International

Jovic Meets Ghali at UN, Discusses Cease-Fire

LD2401134992 Belgrade TANJUG in English 2241 GMT 23 Jan 92

[Text] New York, January 23 (TANJUG)—The United Nations are hastily working on the decision to send a U.N. peace-keeping force to Yugoslavia, said Borisav Jovic, a member of the Yugoslav State Presidency and the president of the Yugoslav State Committee for Cooperation with the United Nations, after a meeting with U.N. Secretary-General Butrus Ghali.

Jovic told journalists that Butrus Ghali was particularly interested in the situation on the fronts in the secessionist Yugoslav Republic of Croatia, that is, in the ceasefire which has been holding for several weeks.

The observance of the cease-fire is the main precondition set by the U.N. Security Council resolution on Yugoslavia to begin Operation UNPA [United Nations Protected Areas] which envisages the sending of a 10,000-man force to regions of secessionist Croatia where the war has been waged and where the existence of the Serbian people has been threatened.

Butrus Ghali confirmed that U.N. Under-Secretary Marrack Goulding would leave for Belgrade next Saturday so as to determine conditions for the beginning of the UNPA peace-keeping operation.

The Yugoslav side has raised the question of the future position of the Serbian people in Croatia, particularly due to statements by leading Croatian officials that this secessionist Yugoslav Republic would use the arrival of U.N. troops to reclaim territories where the Serbian people, as the majority population, declared the Republic of Serbian Krajina.

Croatian President Franjo Tudjman said early this month that if his republic 'fails to liberate these regions with the help of U.N. troops, it will do it through war.'

A U.N. delegation said during talks with Jovic that the sole goal of sending U.N. peace-keeping forces to Yugoslavia was to ensure a peaceful continuation of the negotiations for a political settlement of the Yugoslav crisis within the conference on Yugoslavia under the auspices of the European Community.

Jovic today had talks with the British ambassador to the United Nations, Sir David Hannay, who is the chairman of the Security Council this month.

Hannay told Jovic that a new resolution, which would determine the beginning of a peace-keeping operation in Yugoslavia, might soon be on the agenda of the Security Council.

Jovic received similar assurances from the ambassador of the Russian Federation, Yuliy Vorontsov, who is also a permanent member of the Security Council.

Jovic, who last night came to New York with Under-Secretary in the Yugoslav Foreign Ministry Milan Veres, will this evening meet with U.N. Special Envoy Cyrus Vance. Tomorrow, Jovic will meet with some other members of the Security Council, mainly with the representatives of the non-aligned countries.

Jovic-Vance Talks Detailed

LD2401060992 Belgrade TANJUG in English 0038 GMT 24 Jan 92

[Text] United Nations, January 23 (TANJUG)—Member of the Yugoslav Presidency and President of the State Commission for Cooperation with the World Organization Dr. Borisav Jovic spoke with personal envoy to the United Nations (U.N.) secretary general for Yugoslavia Cyrus Vance in New York this evening.

During the talks, Jovic informed Vance how the present cease-fire in Yugoslavia was holding out. It was assessed as satisfactory in the sense that it was one of the most important conditions for the onset of a U.N. peace mission in Yugoslavia.

Vance insisted on acceptance in full of the U.N. plan by all factors in Yugoslavia, in particular the leaders of the Serb Krajina regions within the administrative boundaries of the secessionist Yugoslav republic of Croatia.

Jovic offered assurances that special efforts would be made in that direction. Vance announced that U.N. Undersecretary Marrack Goulding would meet with Serb Krajina leaders Milan Babic and Goran Hadzic in Belgrade soon in order to win their personal assurances in that respect. Goulding is the number one man in the world organization for matters pertaining to the peace-keeping forces.

In this talk, as in his previous one with U.N. Secretary-General Dr. Butrus Butrus Ghali, Dr. Jovic once more expressed the anxiety and fears of the Serbs in the Krajina regions in Croatia that the new Croatian state was, with its latest statements, actually undermining the U.N. plan and thus making the possibility of the arrival of peace-keeping forces ever more distant.

In that sense, Jovic expressed his expectations that a U.N. document would protect the Serbian people in these territories from possible new acts of genocide, as also from any political solutions which could be forced onto them without previous peaceful negotiations.

Vance agreed to these requests, reiterating once again that the main objective of the peace operation of the "blue helmets" in Yugoslavia was not to force political solutions, but, on the contrary, to secure conditions for a discussion of such solutions, whatever they might be in the end, in an atmosphere of peace and security which can be provided by the peace-keeping forces.

Jovic ends his mission at the U.N. headquarters, which began on Thursday, with tomorrow's new talks with several representatives of member-countries of the Security Council.

Article on Genscher's Views on Croatia, EC Ties

92BA0353A Zagreb DANAS in Serbo-Croatian 31 Dec 91 p 36

[Unattributed article: "How To Help Croatia: Hans-Dietrich Genscher on Recognition and the Future of Relations Among Zagreb, Bonn, and Europe"]

[Text] Not even the German public believed that the proverbially successful West German foreign minister would accomplish what he did in Brussels. Even the skeptical DIE ZEIT finally admitted that it was a "major success," and even a "complete surprise," after which the Germans "could relax." In Croatia, the joy over this German lead in recognition, which by means of German persuasion and with French assistance had to be followed shortly by all 12 members of the European Community, was greeted as a decisive step in the thousand-year-old dream of national independence. All guns were fired, and the sky above Zagreb lit up with fireworks in a scene reminiscent of the American celebration of Independence Day.

Genscher did not arrive at this success of his easily. It seemed for some time that Germany was at odds with the "whole world," and skeptics said that "all snipers will aim at Germany if the horrible events continue in Yugoslavia." But loss of life, setting the torch to the land, and destruction were going on even before these first recognitions, while now even opponents of Germany admit that this time it was precisely Germany that showed the fastest, least painful, and most equitable way of coping with the challenges created by the literal disintegration of the former Communist empires, and almost everyone accepted this German "Croatian recipe" in the Soviet case within a period of a few days.

Immediately after these historic decisions by Bonn, Hans-Dietrich Genscher kindly agreed to answer, exclusively for DANAS, the following two questions:

1. What does the recognition mean to Germany and to the democratic development of Europe?

2. How can Germany help Croatia?

1. As early as 19 December the German Federal Government decided to recognize the republics expressing a desire for such recognition by 23 December and stating their agreement to meet the terms laid down in the 16 December statement by the European Community ministers. The republics would also have to meet the terms contained in the statement of principles applicable to recognition of new countries adopted on the same occasion.

In addition, additional obligations were set forth for those desiring recognition in the Second Chapter of the draft agreement of the Conference on Yugoslavia dealing with human rights and the rights of foreigners and ethnic communities. To be added to these is the requirement that all republics desiring recognition must assist the efforts of the United Nations general secretary and Security Council toward ending the conflict and assuring constructive participation in continuing the Hague Conference.

Insofar as Croatia is concerned, satisfaction of all these requirements were spelled out in President Tudjman's 18 December letter to Netherlands Foreign Minister Hans van den Broek. On 23 December a letter from President Weizsaecker containing official recognition was delivered to Zagreb. The recognition will be implemented in practice on 15 January with full establishment of diplomatic relations.

The Federal Government believes that relations between Croatia and the European Community should be broadened and deepened. It is especially important to provide help in repairing the damage caused by the war. The new way to full sovereignty after all that has happened in Yugoslavia in recent months must lead toward new forms of stronger relations among republics that will outstrip what has been accomplished thus far. At the same time, Croatia is expected to work constructively to make certain that all relations among the republics will in the future be settled in a peaceful manner.

2. A central element of European politics has had to be effort to have European prospects opened up to all the previous Yugoslav republics, either individually or in some combination or other. It has been essential to enable them to rise above the present conflicts and to try to align themselves with the other European countries, something that would promise them peace, security, and prosperity, even in the relations among the current adversaries.

The very core of everything and the paramount goal of this European prospect is represented by associate membership in the European Community. Future partners must become fully aware that the European Community will find itself in the difficult process of evolution of a new economic system along with them even after disintegration of Yugoslavia.

In the light of the existing very intensive relationships and cooperation with Croatia, we want to conclude an agreement with Croatia under which the entire array of instruments applied thus far in relations with Yugoslavia, such as the agreement on promotion of investments, the agreement on elimination of bilateral taxation, traffic agreements, agreements on telecommunications and scientific and technical cooperation, and all the economically important regulations such as those relating to customs tariffs, border crossing regulations, and patent law will be applied during the

transitional period. All these agreements and conventions can be adjusted to the new situation later.

This acceptance of the situation as it has existed up to the present must also make allowance for the agreements that will be aimed at confirmation of the rights and privileges enjoyed by Yugoslav citizens, particularly as regards the social and employment rights of persons employed in Germany.

In the relations between Croatia and Germany, along with speedier renewal of export credit instruments and agreements on security of capital invested, we should open the door to many matters calling for attention, as for example professional consultancy by way of seminars on consulting and promotion of exports, to which are to be added training and retraining of specialists and managerial personnel.

The first negotiations on establishment of future economic relations were conducted in Bonn on 17 and 18 December.

In addition, we want to promote Croatian participation in the world economy and to support Croatian membership in international professional associations, especially as regards the international financial and economic institutions such as the International Monetary Fund, the World Bank, Group 24, and affiliation with the OECD.

This will lay the foundation for undertaking the major task of providing suitable support for economic independence, revitalizing the market, and reconstruction after the wartime destruction.

The German Humanitarian Assistance Agency was set up in Zagreb on 18 December. In order to help the suffering population of Croatia, Germany has approved aid in the amount of nearly 17 million marks to the end of this year.

Interrepublic

Croatia Disagrees With Slovene Power 'Exports'

LD2301114292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1653 GMT 22 Jan 92

[Text] Zagreb, 22 Jan (TANJUG)—Zagreb officially confirmed today that a disagreement has arisen between Croatia and Slovenia over the distribution of electricity from the joint Krsko nuclear electric plant situated on Slovene territory.

"Croatia cannot agree to the proposed solution by Slovenia according to which 50 percent of the electricity from the Krsko nuclear plant will be treated as Slovenia's export to Croatia," Croatian Assistant Energy Minister Roman Nota told journalists.

The Slovene Government decided that the electricity supplies to Croatia from the joint Krsko plant will be considered exports. "We cannot agree to a game in which our own product is sold to us," Nota said.

Last year the Krsko plant met 18 percent of total Croatian needs. This year the figure should be 15.4 percent. The energy ministers of Croatia and Slovenia are scheduled to meet next week to discuss the above disagreements.

Federal

FEC Seeks Removal of UN Peace Plan 'Obstacles'

LD2301155692 Belgrade TANJUG Domestic Service in Serbo-Croatian 1118 GMT 23 Jan 92

[Text] Belgrade, 23 Jan (TANJUG)—Today's Federal Executive Council [FEC] session, chaired by Aleksandar Mitrovic—which is still in progress—was informed about the progress of the agreement to cease hostilities, as well as activities connected with the deployment of the UN peacekeeping forces.

It has been assessed that the cease-fire brokered in Sarajevo is generally being observed, despite certain sporadic breaches and provocations. Therefore, an FEC Information Secretariat statement says that it is necessary, to remove all the obstacles facing Cyrus Vance's plan and for the arrival soon of the UN peacekeeping forces in Yugoslavia, which will also create conditions for a peaceful resolution of the Yugoslav crisis.

The Federal Executive Council also noted that there have been attempts, which should not be underestimated, to prevent the UN peace plan from succeeding, and that, in this respect, every lost day reduces the chances of establishing permanent peace.

The Federal Executive Council also notes the danger the activities of the political parties and leaders advocating terrorism cause for the peace efforts. In this connection, it has decided that the relevant federal bodies, in cooperation with republican bodies, should re-examine the legitimacy of further existence of these parties.

Republics Begin Monetary 'War' With New Currency

92BA0379B Belgrade NIN in Serbo-Croatian 3 Jan 92 p 29

[Article by Scepan Rabrenovic: "War With Worthless Money"]

[Text] The National Bank of Yugoslavia [NBJ] was more ready for the monetary attack from Croatia than the Army was in returning the armed attack from that republic. The people in the NBJ were better-informed about what Croatia intended, so that back in early July they decided to defend their money. That is why it was possible in a short time to repel the attack, which could

have caused more damage than the war to the economies of the republics which still recognize Yugoslav money.

If in just a week Croatia had managed to replace the previous dinars with its own currency, it could have used worthless money to buy large quantities of goods and foreign exchange in other parts of the country or to obtain sizable quantities of the new valid currency which could be "monetized" on other markets. Other evidence that the Croats were preparing to upset certain republics lies in the fact that in recent days immense amounts of the money that was valid until yesterday have turned up in Macedonia and Bosnia-Hercegovina. Which accounts for certain assertions that the Croats will nevertheless manage to make a certain profit, but considerably less than they would have if they had gotten in ahead of the National Bank of Yugoslavia.

Serbia hurried to protect itself from this plunder by adopting a decision prohibiting the sale of its products to other republics, but it would have been better if it had defended itself against the attack of worthless money with a decision prohibiting payments transactions with other countries.

There are well-known cases in history of monetary wars in which countries at war have attempted to do each other in. During World War II, Germany printed false pounds and attempted to transport them to Great Britain or its colonies and in this way weaken the adversary's economy.

Following the disintegration of Yugoslavia in 1941, Hungary was the first to manage to replace the Yugoslav dinar of that time for its own currency (the pengo) in the regions it occupied (Backa and Baranja). It is estimated that at that time Hungary purchased goods worth 2 billion Yugoslav dinars in regions that belonged to Croatia (Srem and Slavonia) and Germany (Banat), as well as in Serbia, which issued its own occupation money considerably later.

In the economics textbooks, this case is often cited as an example of clever war profiteering. After all, to get an insight into what could be purchased in 1941 for 2 billion Yugoslav dinars of that time, one needs to realize that at that time one could buy a pair of oxen for 500 dinars.

Yugoslavia has had quite a bit of experience with war profiteering, although this problem area has not been covered in any economics textbook published since World War II. It is well known, that is, that on the territory of Yugoslavia in 1945 there were seven times as many kunas (the currency of the Independent State of Croatia) as "Nedic's dinars," even though the "Nedic dinar" was means of payment not only in Serbia, but also in parts of Bosnia-Hercegovina, Montenegro, Croatia (in Srem, for example), and Macedonia. In 1945, the "Nedic dinar" and the kuna were not exchanged for the new Yugoslav dinar at a ratio of 7:1, so that those who exchanged the considerably more worthless kuna at that time gained more.

Wars are usually good occasions for war profiteers, because in wartime money does usually change. And in the present wartime troubles in Yugoslavia certain republics have managed to do harm to others and to profit from the war. Slovenia has profited the most, because it was the first to print its own money, and it was able to purchase both goods and foreign exchange in other parts of the country.

Those familiar with the "tolar strike" say that Slovenia caused Croatia the most trouble. Precisely for that reason, not because of differing political conceptions, there has been a cooling off in relations between these two republics.

At the time when the Slovenian tolar appeared, the German mark in Zagreb was being sold at a price of 70 dinars, while that same mark was sold in Ljubljana at that time at a price of 35 tolars. But Slovenia was exchanging the dinar for the tolar at a ratio of 1:1. Which gives rise to the estimates that in just a few days more than a billion marks were siphoned from Croatia into Slovenia. Croatia has now attempted to transfer all the former dinars from Slovenia, as well as some of its own, to the "remainder of Yugoslavia," but the National Bank of Yugoslavia frustrated that monetary incursion. That is the only way to explain the conciliatory spirit of monetary experts of Macedonia and Bosnia-Hercegovina concerning the present replacement of the money. Although those two republics have "filed an application" with The Hague for recognition as independent states.

The fact that the price of the German mark on the black market in Belgrade was 100 dinars for only one day shows that Croatia nevertheless did not manage to trouble the "remainder of Yugoslavia" as Slovenia troubled it. The very next day after publication of the decision on replacement of the money, the German mark was sold at a price of 80 dinars (experts say that in coming days it will be still less expensive and its price will be affected mostly by the prices at which the banks will purchase the old foreign exchange savings of individuals).

It could easily happen that there would soon be a new replacement of the dinar. After all, if Macedonia or Bosnia-Hercegovina (or both together) decide to print their own money, the National Bank of the "remainder of the remainders of Yugoslavia" will have to defend its currency once again.

Bosnia-Hercegovina

Truce Observed on Hercegovina Front 23 Jan

AU2301162392 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 23 Jan 92

[Dragan Mihovic report from Trebinje]

[Text] In contrast to yesterday's report by the Second Operations Group, which contained a lot of information on the violation of the truce, today's report states that the truce has been observed by both sides in the zone of responsibility of the Yugoslav People's Army in the last 24 hours. No firing took place.

The UN peace mission, or the blue berets, which are stationed in Bileca, do not want to make any comments, but according to what they saw in the field, conditions exist for the deployment of the blue helmets. They say that they would stay for a month but do not plan to visit the battlefield, that is to say, the front lines. They are satisfied with the way they have been treated and think that their mission will be successful.

Sandzak's Ljajic: Turkey To Recognize Bosnia

AU2301161792 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 23 Jan 92

[Text] After the visit he paid to the Turkish ambassador, Rasim Ljajic, secretary of the Party of Democratic Action of Serbia, said at a news conference today that he had received assurances that the country will recognize the sovereignty of Bosnia-Hercegovina. Ljajic deemed the visit of Slobodan Milosevic to Turkey as an attempt to preserve a truncated Yugoslavia, something which, in his opinion, is not in the interest of Muslims.

SDS's Karadzic: Bosnia 'No Longer Unified'

92BA0385C Belgrade POLITIKA in Serbo-Croatian 10 Jan 92 p 5

[Article by Muharem Duric summarizing press conference of Radovan Karadzic, president of the Serbian Democratic Party: "Radovan Karadzic: There Is No Longer a Unified Bosnia-Hercegovina"]

[Text] Sarajevo, 9 Jan—"There is no longer a unified B-H [Bosnia-Hercegovina], because there is no unified Yugoslavia," Dr. Radovan Karadzic, president of the SDS [Serbian Democratic Party], said in a press conference today in Sarajevo, and he concluded: "Yugoslavia has changed, B-H must also change; Yugoslavia is being transformed undemocratically. Under wartime conditions, the most we can do and contribute is to transform B-H democratically, not undemocratically. If Yugoslavia cannot take on a new appearance in a peaceful manner and without war, we will do everything," Dr. Radovan Karadzic said, "for B-H to take on a new look in a peaceful manner and without war." According to Dr. Karadzic, "democratic transformation is inevitable. The seeking of independence, and immediately thereafter drafting a law on one's own army, would not go through so peacefully anywhere in the world, but in Bosnia they are nevertheless going peacefully."

Dr. Karadzic expressed confidence that no one is so crazy as to really create a republic army in Bosnia, as is being announced, and to use it against the majority of his own people. What is happening, this entire train of events, angers us particularly if for no other reason than because for a year and a half we have been warning that those moves were not calculated to preserve B-H, but at this republic's secession.

The Serbian People Will Exercise Its Rights

"We have heard from the most responsible people in B-H," Dr. Radovan Karadzic recalled, "that they do not want independence. '...Our goal is not an independent Bosnia....' And then at the first invitation of the European Community, which was, of course, synchronized with them, they have been competing for independence in an illegal and illegitimate way, they adopted a decision to seek that independence for Bosnia-Hercegovina. So much has been done against B-H," Dr. Radovan Karadzic said, "that God himself is preserving B-H, God and its wise, peaceful, and calm citizens, because the leadership has made so many indicative moves and has kept Bosnia at the very edge of the abyss for so long."

The Serbian people in B-H quite certainly, Dr. Karadzic said, will exercise its right, relying on the federal Constitution and federal laws as well as on the laws of B-H, which do not contradict the federal laws, and on laws that will soon be adopted by the Assembly of the Serbian People in B-H. So, on our own laws, which will have their foundation in the Constitution of Yugoslavia.

On that occasion, in response to a newsman's question, Dr. Radovan Karadzic said that today the Assembly of the Serbian People in B-H will adopt a democratic response of the Serbian people to the new challenges of the coalition, i.e., will create the foundation for establishing equilibrium, that is, to nullify the dangerous decisions and intentions of being pursued by the coalition of the SDA [Democratic Action Party] and HDZ [Croatian Democratic Community].

The Last Blow

Karadzic announced that the new situation that has come about in B-H and also 15 January, which is approaching, will be debated today, as will the stubbornness of the coalition in persisting in its demands for independence, that is, the fact that it still has not withdrawn its demands for independence of B-H. This is decisive, Dr. Karadzic feels, because it does not intend to back off from the demand for independence. We must be aware of that, Karadzic said.

Dr. Radovan Karadzic declared in today's press conference:

"Our partners on the political plane, not the personal plane, have not been trying for a moment to take into account that the Serbian people lives in B-H."

He said that all the moves which are being made seem to assume not only that there are no Serbs, but even to irritate the Serbs, and the draft of the law on territorial defense as a republic army represents, in Dr. Karadzic's words, "the final blow to the unity of B-H."

"Does anyone in this republic take it seriously that the Serbs have the right not to want something that is not based on a law which should be respected?" Karadzic asked, adding:

"Such a series of anti-Bosnian moves against the unity of B-H cannot be made and then accuse others of breaking up that unity. You cannot work for secession, to invent the name of the language, to transform the republic into a state of citizens, in which the minority nationality would be transformed into an ethnic minority. You cannot strive for your own army and make a multitude of other moves difficult to count, there have been so many of them, and accuse others of attempting to break up B-H," Dr. Radovan Karadzic declared.

Croatia

UN, JNA Officials Meet With Babic in Knin

LD2301171292 Belgrade TANJUG in English 1610 GMT 23 Jan 92

[Text] Knin, Jan 23 (TANJUG)—Col. John Wilson, head of the U.N. observer mission in Yugoslavia, today had talks at the command of the Yugoslav People's Army (JNA) Knin corps and with President of the Republic of Serbian Krajina Milan Babic, and afterwards stated that the mission would do its duty of helping the warring sides maintain the ceasefire.

Col. Wilson once again declined to answer any questions of a political nature.

When asked whether he believed in the U.N. mission's success, Col. Wilson said that the question should be answered by the sides engaged in the conflict.

Col. Wilson denied Croatian TV reports that he would not confer with representatives of the Krajina authorities but only with Croatian Government representatives in charge of that area.

Addressing the same news conference, president of the Republic of Serbian Krajina Babic said that the engagement of the United Nations was an "advantage, because it is not biased and the only goal of the engagement is in fact to prevent armed conflicts.'

"Although Col. Wilson heads a technical (U.N.) team, the team's very presence is a contribution to maintaining peace," Babic set out.

Asked about the recognition or non-recognition of the Republic of Serbian Krajina, Babic said, "we expect the Presidency of the SFR of Yugoslavia to pass a decree which will enable our recognition in all systems of Yugoslavia, i.e., what remains of it." Babic specified that he had discussed the matter in the presidency of Yugoslavia the previous day.

Renewed Attacks Hit Osijek, Surrounding Area

LD2301133192 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 23 Jan 92

[Report from Osijek by reporter Mirjana Fistanic]

[Text] After a lengthy lull, explosions can be heard in Osijek again today. An attack launched on the town at about 1000 is continuing. Osijek police authorities say that missiles are being launched from the direction of Bilje at Croatian Army positions in Podravlje. Unconfirmed reports speak about several missiles hitting Retfala in the western part of the town.

The latest enemy provocations indicate that its forces remain in their strongholds around Osijek where, according to reports reaching the command of the 1st operative zone, during the last few days of the current cease-fire they have been digging in and even bringing in reinforcements.

[Zagreb Radio Croatia Network in Serbo-Croatian at 1200 GMT on 23 January adds: "At about 1000 shells were fired from occupied Baranja on the Osijek suburbs of Podravlje and Tvrdjavica, and on the positions of Croatian forces in this area. It has been learned in the Osijek police administration that in one hour of the attack the Serbian aggressors fired more than 40 projectiles from all kinds of mortars on these parts of the town. According to data reaching the police administration, this attack is continuing. The Osijek police administration stresses that today's attack is one of the most serious violations of the Sarajevo cease-fire, but the Croatian Army is not responding."]

Dubrovnik, Hercegovina Front Remain 'Quiet'

LD2301231592 Belgrade TANJUG in English 2003 GMT 23 Jan 92

[Text] Belgrade, Jan 23 (TANJUG)—It was mostly quiet today, too, on the battlefronts in Croatia, judging by the reports from the field. There was sporadic shooting only in the region of Dubrovnik and the vicinity of Plasko, as military sources have announced.

The information service of the Yugoslav People's Army (JNA) Second Operational Group for Hercegovina announced that Croatian forces opened artillery fire from positions near Sustipane at the federal army. The JNA did not return the attack.

The JNA press center in Bihac says that U.N. representatives intervened at JNA's request and that Croats' advance was then stopped. According to Croatian radio, there were no clashes on the fronts today.

As the JNA press center in Bihac announced, E.C. monitors staying in this town visited the national park of Plitvice today. The visit to Plitvice was organized so that the monitors could see for themselves that no "vandalism or crime against beautiful nature" in the national park were committed. The monitors also toured several

villages in the region, including settlements inhabited by Croats, and talked with the locals.

The JNA press center in Bihac claims that the monitors saw for themselves that the allegations of the Croatian sources about "numerous destroyed homes from which Croats have been banished" were untrue.

Allegations of 'Genocide' in Benkovac, Obrovac

LD2301163592 Zagreb Radio Croatia Network in Serbo-Croatian 1400 GMT 23 Jan 92

[Excerpt] The genocide of the remaining Croatian population in Benkovac and Obrovac municipalities is taking on drastic proportions, and the Croatian authorities will try to protect in any way the Croats who have remained in the occupied territories.

Professor (?Ivo Miljanic), Zadar municipal assembly president, informed the European observers in the Zadar area about this today. The Croatian Government commissioners for Obrovac and Benkovac, Dusan Kuman and Dragan Jurjevic, also participated in the talks.

It was said that, before the war, 4,000 Croats lived in the Obrovac municipality, and at the moment there are only 300. They are exposed to maltreatment, humiliation, and their lives are in a constant danger. This is confirmed by figures. On 24 December last year, four elderly people of Croatian nationality were killed in Krusevo and six in Jasenice. The remaining 30 elderly people, who refused to leave their native Krusevo, are in a difficult situation.

In Obrovac municipality, 800 Croatian houses have been destroyed since the beginning of the war, and all the churches have been burned down and leveled to the ground.

It is not any better in the Benkovac municipality. Before Serbian army began its aggression, 10,000 Croats lived in Benkovac and its surroundings, while now there are only 900. They are leaving the area daily under pressure, so that from 1 January until today 194 persons of Croatian nationality have been evicted from Benkovac municipality. The remaining people are living in mortal fear.

Many of them have been brutally murdered, as on 21 December, when 11 civilians were massacred in Bruska. Trying to conceal its crimes, the occupation army has not let the commissioners for Benkovac and Obrovac visit the villages, where there are still a few Croats, but nevertheless, the truth has found its way to the world. [passage omitted]

HDZ Leader: Bosnia Resolution 'Essential'

LD2301145292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1206 GMT 23 Jan 92

[Text] Zagreb, 23 Jan (TANJUG)—The resolution of Bosnia-Hercegovina's problem is essential to stop the war and begin a general normalization of relations, said Perica Juric, vice president of the Croatian Democratic Community [HDZ], at a news conference today.

We are convinced that the problem of Bosnia-Hercegovina can be resolved in a peaceful manner and through an agreement between the three nations. Our party will support any democratic method to a resolution. One of these is a referendum, Juric said. He called the current situation in Bosnia-Hercegovina, where, as he said, there are more than 95,000 soldiers and huge military machinery. He claimed that "that republic is on the threshold of war." We must do everything to prevent the conflict. We are convinced that the international community and public will "force Bosnia-Hercegovina's political factors to sit at a negotiating table and find a political resolution to the crisis," the vice president of the ruling party in Croatia asserted.

In connection with observing the Sarajevo agreement, the results are favorable, according to the assessment of the representatives of this party. However, they repeated the stand of Croatia and the party that "there is no compromise in the connection with the integrity of the territory of the Republic of Croatia."

President Tudjman's Popularity Assessed

92BA0353C Zagreb DANAS in Serbo-Croatian 31 Dec 91 p 13

[Article by Zoran Batusic: "Tudjman's Dream and Reality"]

[Text] After his appearance on the political scene as a typical politician with a mission, it seems that the Croatian president sincerely believed the promises that Croatia would not be subjected to military attack.

Dr. Franjo Tudjman still heads the list of the most popular politicians in Croatia. This is the result of a rating by almost one-third of the citizens participating in a DANAS poll. Tudjman is also the only politician ranked at the negative end of the list. This says something about the acceptance of his administration of the government in the past.

To every statesman a wartime situation or creation of a new governmental organism represents the only opportunity for him to march through the great gate, with attendant pomp and circumstance, into the history of his own people. At the same time, this is a situation that most directly and conspicuously tests a person's competence. Walking along the edges of areas of uncharted roads of historical reality has to many politicians meant an extreme and irrecoverable loss, that of departure into historical oblivion.

Franjo Tudjman appeared on the Croatian political scene as a typical politician with a mission, what is termed in America a crusader. Customarily neither healthy pragmatism nor imaginative political improvisation and unorthodox solutions are the strong points of such politicians. They have their goal, and they lay out

their road to it (and generally stubbornly follow it), with a persistence that may reach the point of inflexibility. Tudjman outlined his goal, a free Croatian state, and this aspiration coincided with the democratic political will of Croatian citizens. His party's victory in the elections also meant assumption of an enormous political responsibility, which was a part of worldwide dismantling of communist monism, in the extremely complicated ethnic situation prevailing in Yugoslav territory.

During the election campain Tudjman's words would often break loose from basic political reason, producing the effect of the proverbial bull in a china closet, and this phenomenon managed to repeat itself later.

Generally speaking, a certain awkward verbal aggressiveness, as not always understandable counterpoint to his peacemaking efforts, has remained one of the constant features of the president's political image.

Tudjman's peacemaking efforts arose on the basis of eclectic assumptions burdened with historicism. Like Stjepan Radic, he wanted to discover his Svetozar Pribicevic in Croatia, and like Vlatko Macek, his Prince Paul or Dragisa Cvetkovic in Yugoslavia as a whole. The option envisioned was to conduct direct negotiations with Serbia, accompanied by a sort of integration of the noncommunist Serbian political option in Croatia, in order to cut the Yugoslav Gordian knot in a way acceptable to Croatia.

At the same time, the possibility of more active cooperation with other non-Serbian peoples, the so-called natural allies (except for the Slovenes) was ignored. At one time this in effect isolated Croatia within the Yugoslav area. Clumsy indiscretions, such as that relating to the partition of Bosnia and Herzegovina, harmed Croatia, and, of course, the option of negotiation with Slobodan Milosevic was not utilized. There came about the paradox that Croatia, traditionally tainted with the original sin of separatism, played the legitimate game of resolving the crisis by consulting the Federation of Sovereign States (we must recall all the problems with Stipe Mesic in the former Presidency), while Serbian policy, supported by the Bolshevized military, openly opted for the Greater Serbian solution. It seems that Franjo Tudjman truly believed the promises that Croatia would not be attacked militarily; this slowed down physical and psychological preparation of the Croatian people for the war imposed on it.

All these events in the Yugoslav area were paralleled by intensive, if not always fortunate, activities for achievement of international recognition of Croatia as a separate country. Tudjman achieved his greatest success in this area, and his relatively high recent popularity among the Croatian people is due to this. The extent to which other factors (the successful Croatian resistance to obviously criminal and brutal Serbian aggression and the forceful release of the tendencies in international politics friendly to Croatia) is material for analysis of a different kind.

A feeling for internal politics appears to be Tudjman's weakest point, or in it at least his most conspicuous tendency toward acquisition of strong personal power, boasting of triumphs, and patronizing of the political opposition, but of his own associates as well. It is extremely difficult to foster all the principles of democracy in a wartime situation, but gaffes like the HOS-KOS [Croatian Defense Forces-Counterintelligence Service] Dedakovic case, the latent effort to gain political control of the media, or formation of paragovernmental bodies that assume inappropriate powers, should not be committed by mature political structures. Politics of this kind cannot be cleaned up by any presidential messages, whether they be dull and declarative or cleverly worded. The cardinal test of any politician, especially in a young democracy, is the degree of democratization of his government.

If Franjo Tudjman manages to have Croatia function entirely as a lawful state and if he manages to cope with the challenges created by wartime and postwar political difficulties, he will despite everything be guaranteed the position of most successful Croatian statesman of the 20th century.

Judiciary Stays Independant, Exhibits 'Backbone'

92BA0353B Zagreb DANAS in Serbo-Croatian 31 Dec 91 pp 18-19

[Article by Veceslav Kocijan: "Judges Given Wartime Assignments"]

[Text] Emir Midzic, in charge of the investigation in the Dedakovic case, after failing to comply with the public prosecutor's request to extend Jastreb's detention, received an induction notice at night. Is this a threat to the independence of the judiciary?

In these times of war, Croatia is doing all it can to take pressure off the justice system "from above." Many construed the release of Dobroslav Paraga from detention, and of Mile Dedakovic Jastreb less than a week later, as proof of the independence of the judiciary, noting that the justice system finally showed that "it has a backbone." In both instances, despite a request by the Olujicev Public Prosecutor's Office that the accused be kept in detention, the examining magistrates came to a different decision. In the Paraga case, they rejected all the accusations about an alleged attempt to violate the constitutional order of the Republic of Croatia and establish paramilitary formations, and the indictment was reduced merely to illegal possession and purchase or sale of weapons, over which neither the District nor the Municipal Court has jurisdiction.

Detention Until Further Notice

The Dedakovic case is somewhat more complicated, but even here insistence by the public prosecutor on continued detention proved to be futile. Dedakovic, accused of abuse of authority, was detained in order to prevent him from influencing witnesses while at liberty. After all

the witnesses appeared before examining magistrate Emir Midzic, by law Dedakovic had to be released. The public prosecutor then requested that the investigation be broadened to include Ferdinand Jukic, a former (and current?) government weapons procurement agent, whom, according to the indictment, Dedakovic allowed to take 1.4 million German marks out of the country. At the same time, the public prosecutor requested extension of Dedakovic's detention, but inasmuch as Jukic is in Germany, and so beyond the reach of the Croatian authorities, judge Midzic opposed continuing the detention, because this would mean that the detention could be extended indefinitely, or until Jukic returned to Croatia and was apprehended. When judge Midzic rejected the public prosecutor's request, the making of a decision was transferred to a nonexamining panel of the District Court, which decided that Dedakovic should be released from detention.

After he demanded that Mile Dedakovic be released from detention, on the night of 23 December Judge Midzic received an induction order. The next day, he presented himself at the defense secretary's office at Ilica 25, from which he was dispatched on the same day to the front in Letvanovic, where he was to be issued a uniform. He finally appeared "somewhere in the vicinity of Sisak" from the front. It does not seem to be at all coincidental that an examining magistrate in charge of the currently most interesting case, a man born in 1944 and suffering from a hernia, should be sent to the front. It is highly unusual, especially in that we have learned from confidential sources that his removal was demanded by someone very high in the government when he allowed medical examination of the battered Dedakovic. To be added to this are the threats allegedly made to him over the telephone by Udiljak, an "employee" of the Ministry of Defense Security Intelligence Service, after Midzic requested that Ljiljana Toth be transferred from SIS [Security Intelligence Service] facilities to investigative detention, something that has not been done to this day, in violation of law. It seems that even judges are not beyond the grasp of the government. This, of course, is in no way consistent with the behavior of a lawful government or with orderly petitioning of an independent judiciary.

An SIS Above the Law

To make matters worse, Josip Perkovic, head of the Ministry of Defense Security Intelligence Service, who engaged in similar affairs under the old regime, requested the District Court in writing that an expert opinion again be delivered on Dedakovic. This is more evidence of direct outside interference in the business of the justice system. The District Court officially returned his letter, which informed Perkovic that his service is not a party to the proceedings, and stated that if he wanted something it should be requested through the Public Prosecutor's Office.

Illegal acts have been constantly repeated in the Dedakovic case as a whole, and precisely by persons whose duty it should have been to uphold the law. Most of these persons are linked to the operation of the Ministry of Defense Security Intelligence Service. For example, after cancellation of his temporary arrest, Nikola Toth Feniks was apprehended on the premises of the investigative detention facility immediately before his release. Four members of the SIS appeared at the investigative detention facility, which, by the way, is under the jurisdiction of the Ministry of Justice, and took the released Toth away to an undisclosed location, the military detention facility at Lascinska 32. Obviously someone had notified them of his release from the Ministry of Justice facility and tried to keep Toth from leaving "too early." When Toth's attorneys made this public, Minister of Justice Bosiljko Misetic suspended the person responsible at the Zagreb District Court investigative detention facility and announced that the matter would be investigated. For this reason, it is not surprising that on the day of Jastreb's release from temporary arrest Dedakovic's attorney invited a group of newspapermen to prevent any attempt by the intelligence service to do to Dedakovic what it had done to Mr. and Mrs. Toth. Consequently, it is alleged that Dedakovic was forced to stay for several days in the only safe place in Zagreb, Paraga's Starcevicev house.

No one in the government, at least not the persons who compiled the Vukovar Report, has yet stated openly what happened to all these accusations made of Dedakovic, Toth, and Toth and Paraga, in connection with the attempts at violation of due constitutional order and treason. Why is it that almost nothing was said about these accusations during the court investigation? If they rest on as sound a base as was stated in the newspapers, and especially on a television program, why is no investigation being made of all this? Is it that there is no adequate legal and factual basis for doing so? The public is becoming impatient waiting for complete and accurate information.

A Secret of State

An item, admittedly not officially confirmed, relating to the arrest and release of Tihomir Oreskovic, a military commander, may be added to the story of the justice system and the government. The information on the Gospic case is completely unavailable to the public. There are only occasional semiofficial leaks. Some even say that this case has been declared a secret of state, and after the first accounts of the disappearance of Gospic's Serbs, individual daily newspapers, ones close to the government, hastened to announce that the rumors of the "disappearance of the Serbs" are an example of an operation by the Counterintelligence Service and a fifth column. In the meantime, it is precisely members of the government who have been referring more openly to the disappearances in Gospic, but nothing specific has ever been said. A report of the arrest of Tihomir Oreskovic and indictment of several persons was leaked two weeks ago. Then the Ministry of Justice unofficially confirmed to us that these persons are for the most part not available, in view of the fact that a war is in progress in

Gospic, but no one was able to provide us with any official information, neither the Ministry of the Interior nor the Public Prosecutor's Office. However, it has been heard from several sources that Tihomir Oreskovic allegedly has been released and returned to the battlefield and, moreover, promoted in rank even after the ultimatum by the fighters there who threatened to leave the battlefield.

Article 5 Against Everyone

In the context of everything following the Zec case in Zagreb, mention is also beginning to be made of the name of Tomislav Mercep, a Ministry of the Interior councilor. At one time it was said of him that he was not "kindly disposed" toward the Serbs of Vukovar, but stories of this kind were denied. Now he is remembered as the man who placed Oreskovic in a commander's position; this coincides with the time when Oreskovic was staying in this part of the battlefield with his unit.

Of course, the Ministry of the Interior states that Mercep's unit does not exist, and since according to the table of organization he is a councilor, he could not even have one. However, persons who have spent days traveling around Croatia visiting the theater of operations know that this unit exists, something that Mercep has never tried to hide. The unit is the Tomislav Mercep support company of the 109th Tiger Battalion. Thus, it is precisely men of his unit who are accused of slaughter of the inhabitants of Zec. However, we learn that it was decided at the top that all such cases must finally be cleared up, but in the meantime a story has begun to circulate to the effect that Mercep is abroad, either in the United States or Canada. A person asking for him at the Ministry of the Interior is told that he is "on an official trip."

Nor has President Tudjman been idle. He issued a decree establishing a military prosecutor's office and courts-martial. No particularly good memory is needed to remember everything that was said about the military justice system, especially at the time of the Virovitic group trial. Many of the highest government leaders said that a military justice system and prosecutor's office are incompatible with democracy, especially ones that enable military personnel to try civilians. But obviously being afflicted with a poor memory, they have promulgated a decree that makes exactly this possible.

According to this decree, which has the force of law, a military prosecutor is to be appointed by the minister of defense, at the recommendation of the public prosecutor of the Republic of Croatia, by issue of a military assignment order. A similar procedure would be for a military judge to be appointed by the minister of defense at the recommendation of the Supreme Court of Croatia, but for military judges to be proposed by the minister of justice. Of course, "disobedience" by civilian judges can be "punished" by this decree, because they can be sent anywhere "by military order," and such an order cannot be refused. This makes further independence of judicial authority very doubtful. At the same time, it violates Article 120 of the Croatian Constitution, according to which a judge may not be transferred against his will.

Criminal offenses taken over from the former SFRY Penal Code, from notorious Chapter 15 on violation of the principles (of socialist self-management) public order and security (of the SFRY), have been placed under the jurisdiction of courts-martial. New articles have been added, ones so restrictive and broad that they cover everything and everyone. This applies especially to Article 5, which contains regulations relating to application of the Penal Code of the Republic of Croatia in the event of a state of war or immediate danger. It was adopted along with those relating to establishment of a military prosecutor's office and courts-martial. According to this article, an official or executive who by failing to perform or by delaying performance of duties assigned to him or who otherwise acts unconscionably in discharge of his duty, although he was aware or could and should have been aware that proper functioning of the service could be thereby disrupted, will be punished by imprisonment for a period of one to 10 years. The same punishment will be applied to an executive who by failing to perform or by delaying performance of established economic tasks or who otherwise acts unconscionably, although he was aware or could and should have been aware that such failure or delay might result in disruption of an economic activity.

This article can be interpreted so broadly as to cover literally anyone, and judicial bodies and the Prosecutor's Office may at their discretion decide that a particular person must and could have been aware. Under this article, however, no disruption need have taken place in the operation of a service of economic activity for a defendant to be found guilty. By way of caricature (or is it?) we may say that a policeman, for example, can be found guilty if he leaves his post and goes to a newsstand to buy matches. He can be sent to prison for 10 years, because he must have been aware that as a result of his action the proper functioning of his service could be disrupted. Or, for example, the director of a particular enterprise might be convicted for failing to make certain that an employee of his checked the tires on a vehicle.

Right To Regulate

We find that a complete military code is now in preparation. Until it is completed, the Civil Code of Criminal Procedure will be applied (individual services will obviously not adhere to it strictly).

While speaking of the law and regulations, we should point out that when they are enacted reference is always made to Article 101 of the Constitution, which empowers the president to issue decrees having the force of law in the event of war or immediate danger or if it is impossible for government bodies to perform their constitutional duties regularly. While the first two considerations in constitutional article 101 have no bearing here, inasmuch as neither the Sabor (parliament) nor the

president has proclaimed a state of war or immediate danger (thus far entirely for tactical political reasons), it is appropriate to discuss the third possibility, in that the Sabor has not yet had any problem with convening or reaching a quorum. But if issue of a decree having the force of law has been done in accordance with the Constitution, the application of some decrees, such as the one relating to the work of internal affairs authorities under which many persons have already been arrested, or the one relating to establishment of courts-martial, have no basis in law. Both decrees are also debatable on the basis of Article 17 of the Constitution of Croatia, which states that in the event of proclamation of a state of war or immediate danger individual freedoms and rights guaranteed by the Constitution may be restricted (as is done by these decrees), but a decision to this effect is to be made by the Sabor, exclusively by a two-thirds majority of all deputies.

According to some predictions, part of the opposition is expected to wait for these decrees with knives in hand at the next session of the Sabor, especially the one relating to military legislation and courts-martial. After all, Croatia is far from being able to call itself a legal state, although the judiciary is withstanding the attacks directed against it from above, from some services and the Office for Protection of Constitutional Order.

Serbia

'Ustasha' Infiltration Into UN Troops Possible

LD2301152492 Belgrade TANJUG in English 1245 GMT 23 Jan 92

[Text] Belgrade, Jan 23 (TANJUG)—The Belgrade evening newspaper POLITIKA EKSPRES writes today that a possibility exists that Croatian pro-fascists, known as Ustashas, could be infiltrated into the United Nations peacekeeping force.

A UN peacekeeping force is expected to be deployed in the crisis areas in the Yugoslav secessionist Republic of Croatia with the aim of protecting the local Serb populations and preventing further clashes between the Yugoslav People's Army (JNA) and the Croatian paramilitary formations.

The usually well-informed Belgrade newspaper, citing sources in Vienna, claims that grandsons of war criminals from the world war two puppet state created with the help of Nazi Germany—the independent State of Croatia—are preparing to join the UN force under assumed names through the Czechoslovak, Swedish, Australian and Canadian contingents.

The strong Croat extremist emigre organizations which exist in Sweden, Canada, and Australia are believed to have played a major role in the victory of the secessionist Croatian forces and that republic's secession from Yugoslavia. Many of them returned to Croatia in the past two years or so.

The fear that UN soldiers of Croat origin could harm the local Serb populations has grown in view of the plans not to deploy the peacekeepers on the demarcation line itself but according to an "ink spot" principle—deep inside the Serb-populated regions.

"Expert and dangerous provocations, incidents and murders are being planned in covert cooperation with Croatian saboteurs and paramilitants outside the zone covered by the Blue Helmets," POLITIKA EKSPRES writes, citing an unidentified source in Vienna.

The daily, the first to report on Hungarian deliveries of firearms to Croatia's secessionist military, says the Yugoslav Government and other authorities must ask for stricter control of the origin of every individual member of the UN peacekeeping force.

The Ustashas massacred several hundred thousand Serbs, Jews and Romanies during the second world war—memories of that genocide have been revived by the crimes being committed in the present war in Croatia.

Serbs Positive About Talks on Republic's Future

AU2301144392 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 23 Jan 92

[Text] Optimism has been expressed in the headquarters of the Serbian Democratic Party with regard to the resumption of interparty discussions on the future of Bosnia-Hercegovina. Ljubomir Nikolic report from Sarajevo:

[Begin Nikolic recording] Dr. Radovan Karadzic today expressed optimism over the resumption of interparty talks on the future of Bosnia-Hercegovina. He told journalists that an agreement has been reached on the need to transform this republic and establish the sovereignty of its three nations. Karadzic believes that the three ruling parties will soon reach an agreement, and that this could be subsequently confirmed by the people at the referendum.

Speaking about the announced referendum of the citizens of Bosnia-Hercegovina, which the deputies of the republican assembly will discuss tomorrow, Dr. Karadzic said that it will not solve anything and that Serbs from Bosnia-Hercegovina will not take part in it, because they have already voted in a plebiscite to remain in Yugoslavia. He also said that the Serbs will not accept an independent Bosnia-Hercegovina.

The club of the Serbian deputies will only send a delegation to the assembly session scheduled for tomorrow. [end recording]

Draskovic: Brussels Peace Plan Serbia's Hope

92BA0328B Belgrade NIN in Serbo-Croatian
27 Dec 91 p 11

[Commentary by Serbian Renewal Movement Chairman Vuk Draskovic: "Serbia Over the Abyss"—first paragraph is NIN introduction]

[Text] The road to ruin is inevitable unless Serbia gets both brakemen and switchmen as soon as possible; the lifelines that Europe is offering us can no longer be turned into a noose around our neck.

What will 1992 bring?

We will experience infamy, defeat and disgrace, calamity and misfortune of enormous proportions, if the Serbian national train continues on its current track. The national intellect of the Eighth Session has, both successfully and quickly, uncoupled the Slovenian car from the rusty Yugo-train. Disregard has been shown for Pasic's pledge that there will be a Yugoslavia only as long as Serbs and Slovenes want it and that Slovenia is the western barrier against Croatian secession, because no one can break off from the middle, the entrails of a state.

Tudjman was enthroned at the moment when the embargo on Slovenian sweaters and mayonnaise was introduced and when the decision was made that the Slovenes must go. That represented the signing of Yugoslavia's death certificate.

It was probably in 1918, with the creation of Yugoslavia, or rather of that kind of Yugoslavia, that our nation's historic mistake was made. Still, that Yugoslavia was a great monument to Serbia's victory over Austria-Hungary in the First World War. With its dissolution, the intellect of the Eighth Session has transformed the glorious victory of the glorious Serbian army into a defeat, and that after 73 years!

Moving backwards along this route, the Serbian train also clatters towards the losses in the First and Second Balkan Wars.

I anticipate an unimagined peril. An internationally recognized Croatia gets the most contemporary weapons and enough monetary support to hire numerous foreign legions. War breaks out in B-H [Bosnia-Hercegovina], spreads to the Rashka region and to Kosovo and Metohija. An economically exhausted Serbia, without a single ally anywhere in the world, bleeds at every front. Perhaps even in Vojvodina, perhaps even in eastern Serbia. Why would the Hungarians and Bulgarians not intervene? Any bird is quick to fly towards a carcass.

The intellect of the Eighth Session and its subservient intellects in the SPC [Serbian Orthodox Church], SANU [Serbian Academy of Science and Art], and UKS [Writers Association of Serbia] will roar through all the megaphones of the SPS [Socialist Party of Serbia]—propaganda about the kingdom of heaven, about Lazar's Oath, about Princip and the rejected ultimatum of 1914.... Drummers of death and gusle players will be paraded around television studios, microphones will reverberate with pathos and calls for collective sacrifice....

Hunger will haunt Serbia, together with disease and enormous anxiety. Columns of refugees will swarm across the Drina to this side, and the unfortunate will flee here from the south and from the north. Sumadija and Pomoravlje will become a camp for the desperate.

And what will be the result of this? I am afraid and ashamed to look into this mirror. We will lose perhaps a half a million lives, primarily young people, we will lose both Balkan wars, so that drained and devastated, we will find ourselves within the pre-Kumanovo borders!

However, this will not be the end of the apocalypse. After this type of defeat and peril, the regime will seek its salvation in 1944. With the help of the approximately three million refugees from our lost lands and border regions, it will try to impose terror over the rump of a half-dead Serbia. In this way, it will open up the door to Serb-on-Serb fighting. And when that is over, it will leave us "in total disarray," as one prophesy notes!

This road to ruin is inevitable unless Serbia gets both brakemen and switchmen as soon as possible.

The lifelines that Europe is offering us can no longer be turned into a noose around our neck.

The Hague document offered a way out. Practically speaking, two Serbian states were established on one-third of the present-day Croatian territory: Serbian administration, judiciary, police, all with international guarantees. An obligation to the community of these states was imposed on Serbia, B-H, Montenegro, and Macedonia: The market would be unified, without customs duty, without border crossings and passport checks.... This as a minimum. And everything beyond this was left up to us, for us to agree on.

This Hague document was rejected as an insult to our honor! Now we are being offered the Brussels declaration. We get less than in The Hague, but it must be accepted.

Why? The Brussels declaration does not set up obstacles to a community between Serbia, Montenegro, B-H, and Macedonia. A wise Serbian policy would quickly and easily come to an agreement about this south Slavic commonwealth, which could also be a significantly stronger association, perhaps even including a unified army.

The Serbian krajinas would for a time find themselves under the blue helmets of the United Nations. They would have Serbian administration and their own government, but they would still represent a buffer zone between the warring sides.

Peace would be achieved, which is the most important thing. And after that.... After that, once the passions and

madness had calmed down, we would agree to an ethnic demarcation with the Croats. The best variant: Baranya, eastern Slavonia, and western Syrmia to Serbia; the Knin Krajina, Banija, and the region around Jasenovac to B-H; western Hercegovina and certain opstinas in the Posavina region to Croatia.... In peacetime, some other solution would probably emerge as well....

Thus, two roads and two outcomes. The first leads to the abyss, and the second to Europe and the future.

Whither Serbia? I am afraid of the prognosis that it is headed for the abyss. The intellect of the Eighth Session has no one to stop it, because there is no way for Serbia to hear the truth.

To us, Serbia is dazed and blinded. For seven days, and not a minute more, let Belgrade Television allow Serbia to hear the story that is forbidden, and our nation will be saved.

That is why we set out on 9 March 1991 to liberate the television Bastille. We wanted Serbia to see the light.

If the regime does not wise up, we will have to repeat our action on 9 March for the sake of national salvation. We will have to do this because we know that Serbia can be pushed towards the pit only as long as it lacks its eyesight.

Kostic Assails Past Genocide, Current Attitudes

LD2401054992 Belgrade TANJUG in English 2031 GMT 23 Jan 92

[Text] Novi Sad, January 23 (TANJUG)—Jugoslav Kostic, a member of the Yugoslav State Presidency from Vojvodina, said today that the genocide against Serbs during World War Two, in the so-called independent State of Croatia, an Ustasha state formed with the help of Germany and Italy, was repeating itself in Croatia today.

At a memorial service in Novi Sad, the capital of Vojvodina, a province of the Yugoslav republic of Serbia, on the 50th anniversary of mass arrests and killings of Serbs and Jews, Kostic said that the crimes against civilians in Vojvodina during World War Two were a part of the genocide against the Serbian people.

The Hungarian occupational army and their domestic collaborators killed over 1,300 inocent people on the banks of the Danube and threw them into the icy water in January 1942. Complete families had been killed, of the 1,300—489 were men, 415 women, 165 children and 177 old people.

"There have been many innocent victims in the civil war imposed by the current Croatian authorities," Kostic said, noting that Vojvodina was an example of how good inter-ethnic relations could be built.

Kostic said that outside factors had affected the flaring up of the war in Yugoslavia, adding that "extremist nationalisms have again become the policy of some European countries, while others are not showing enough readiness to curb these processes."

The memorial service was attended by the patriarch of the Serbian Orthodox Church Pavle. On the war in Croatia, Patriach Pavle said that "if we cannot be brothers," we should at least be "human" and give as "good neighbours."

Yugoslavia's chief Rabbi Cadik Danon said that blood of innocent people was again being shed and that fascism was raising its head since many World War Two criminals went unpunished.

Representatives of the Constantinopole Patriarchy Ewfeksi Hrizostom and Metropolitan of Pergamus Evangel took part in the service.

Krajina Interior Minister Defends Milosevic

AU2301210992 Belgrade RTV Sat TV in Serbo-Croatian 1830 GMT 23 Jan 92

[Interview with Milan Martic, minister of internal affairs of the Serbian Republic of Krajina, by Belgrade Television journalist Jovan Markovic; place and date not given—recorded]

[Text] [Markovic] We are talking to Mr. Milan Martic, minister of internal affairs of the Serbian Republic of Krajina, who has just returned from a trip.

Mr. Martic, in a communique issued at its session of 22 January, the Government of the Serbian Republic of Krajina condemned you for the statement you made for VECERNJE NOVOSTI the day before, in which you spoke about Vance's plan.

[Martic] As you see, I have just returned from a trip. This is why people may be a bit surprised to see me in civilian clothes. I was met by two surprising things in the media. First of all, I was surprised by the statement for VECERNJE NOVOSTI. I never made a statement for VECERNJE NOVOSTI. The other surprise is the statement by the Government of the Serbian Republic of Krajina. As a person, I am insulted by the fact that the government did not wait for me to give an explanation, but condemned me on the basis of a fabricated statement.

Let me explain what this is all about. I made a statement for the BBC on the 18th [not further specified], to a BBC journalist. Everything that VECERNJE NOVOSTI reported is correct. VECERNJE NOVOSTI carried the statement given to the BBC. Everything is correct. This also refers to my statement about the people and the people's motives in defending Krajina, that we should never allow Krajina to be part of the independent state of Croatia. Everything is correct with one small exception, which is in fact very important, namely the part that refers to the acceptance of Vance's plan as a whole.

I told the gentleman from the BBC that Vance's plan was not made available to me, although it would have been logical that, as a government minister I should have this plan. I did not have it and I did know what it contained. However, from what I knew about Vance's plan from the media, it could be acceptable, with, of course, some corrections.

[Markovic] What are, in your view, the necessary corrections?

[Martic] You see, to tell the truth, although I was not asked about it much, I am referring to the armament of the other side, the disarmament of our side and the status of Serb refugees, which is not solved with this plan. And some other minor points that could be very significant. All this could be resolved. What is important is that we accept peace and that the world understands that we favor peace rather than war.

[Markovic] How is it possible for you to be accused of betraying the interests of the Serbian people, considering that you are one of the leaders of the Serbian resistance in Krajina? Do you feel a traitor?

[Martic] What can I say. I do not want to be emotional. Please, how could I be a traitor? When you take everything into consideration, and me as a man, and everything that has been happening, can you describe me as a traitor? Whether it suits somebody that I am a traitor is another question. I am certainly not a traitor. The people can say best who is working for the interests of the people and whether I am a traitor.

[Markovic] What is your comment about the (?proposal) by the Government of the Serbian Republic of Krajina to reduce the militia in the Serbian Republic of Krajina.

[Martic] You see, at the last session, the government made a decision to increase the reserve militia corps. I think that this is in order from the point of view of the citizens' security. Now suddenly, while I was absent, a decision was made on reducing it, that is to say to suspend the decision made at the last session. I do not think that this is good and we should discuss it. In any case, if this aspect is all right, if the citizens feel safer, then it is justified to increase rather than decrease the militia, especially if this militia works for the interests of those people. [sentence as heard]

[Markovic] The president of the Serbian Republic of Krajina has made a decision, that is, he passed a law that bans the work of some political parties, such as the League of Communists-Movement for Yugoslavia. What is you comment on this law, and will you implement it?

[Martic] This law was passed by the president personally. This means without consulting the grassroots. I personally think that this was not in line with democratic processes, and yet we are striving for some kind of democratic system. Therefore, they will have to find someone else to implement this. I can hardly accept to carry it out. Moreover, as you perhaps know, in August of 1990, the president banned the work of Seselj's party. I do not know, but I think that the Socialist Party also has problems. As I said, this is his personal view. I do not think that the grassroots, the Serbian Democratic Party, which he represents, support this. This is in total contradiction to certain democratic processes.

[Markovic] Do you think that Slobodan Milosevic has betrayed the interests of the Serbian people by accepting Vance's plan, by agreeing to the deployment of the blue helmets?

[Martic] Please, Slobodan Milosevic, can he be a traitor? A man who has in my view—and you can think about me whatever you want—a man who has in my view given so much to Serbia and the Serbian people in Yugoslavia and outside it, how can he simply nullify all his work and be a traitor? I do not believe in that and I do not consider Slobodan Milosevic to be a traitor.

[Markovic] Considering that there have recently been some comments about problems between Serbia and the Serbian Republic of Krajina, that is to say between their leaderships, could you tell us about cooperation between Serbia and the Serbian Republic of Krajina.

[Martic] We have to be objective about all this and say that the Republic of Serbia has helped us most and that it is still helping us. No one can deny this. Cooperation depends on who is viewing it and from what angle, as I far as I am personally concerned, I have never stopped this cooperation. It is quite logical that I should have well-developed cooperation with the leadership of Serbia, above all, with the Ministry of Internal Affairs. Who would I seek help from at these crucial times if not from the Ministry for Internal Affairs of the Republic of Serbia. This is quite logical.

Therefore, the visit that I paid to Borisav Jovic was in fact about the status of the Krajina militia. We met to discuss where we stand, and to admit some things publicly, and so forth.

[Markovic] Do people in Krajina know that when the blue helmets arrive, the local authorities will remain Serbian, that Croatia will not have any real legal or state powers in the Serbian Republic of Krajina, nor in the Krajinas in general.

[Martic] I do not think that this was explained clearly enough. Regulations and everything else will be implemented by the Serbian militia. In other words us, and not Croatia. Laws will be respected. Everything will be done according to the laws of the Serbian Republic of Krajina, which were also adopted according to federal laws. Therefore, this has nothing to do with the independent state of Croatia, nor will its laws be respected. Its laws will not have any influence.

[Markovic] Do you think that the people in Krajina understand this sufficiently, or has this not been explained well enough?

[Martic] I believe that there have not been enough explanations and that one should perhaps explain it a bit more to the people. I am using this opportunity to say that the people should not be afraid of anything, because, as I said, it is the laws of the Serbian Republic of Krajina that will be implemented, and not those of the independent state of Croatia. The people in this region will certainly be protected by the Serbian militia, and not by the Croatian militia, as Tudjman is now trying to claim. This is out of the question.

[Markovic] Mr. Martic, thank you very much.

[Martic] Thank you.

Presidency Member Bajramovic Visits Kosovo

AU2301155992 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 23 Jan 92

[Text] There is no fear that the Serbian people in Krajina will be left in the lurch. This was stated by Sejdo Bajramovic, member of the SFRY Presidency, in talks with the leadership of the Pristina commune. Milivoje Mihajlovic reports:

[Begin Mihajlovic recording] During a conversation with the leadership of the Pristina commune, Sejdo Bajramovic, member of the SFRY Presidency, expressed the belief that Yugoslavia will survive. The new Yugoslavia will be composed of Serbia and Montenegro. No one can prohibit the Serbian people in Bosnia-Hercegovina from remaining in Yugoslavia, either.

Sejdo Bajramovic stressed that during the creation of the new Yugoslavia, the Serbian Republic of Krajina will be given a special status that will not change until everything is completely clarified. Bajramovic holds the view that in the long run the Serbian-Croatian clash in the present day Croatia could be resolved according to the Cypriot model. Until then, if the UN forces were deployed there, they would guarantee the safety of the Serbian people living there. Except for the local authorities and the militia, no other army would be allowed to enter the territory of Krajina.

Answering the question as to what will happen if despite the presence of the peace-keeping forces the Croatian army attacks Krajina, Bajramovic said that the supreme command of the Yugoslav Army has considered that and that the units of the Yugoslav Army are always ready to defend these people.

Speaking about the situation in Kosovo-Metohija, Sejdo Bajramovic said that Albanian separatists are doing everything to the detriment of their own people. They have persuaded people to leave their jobs, and now they are preventing children from going to school. A great Albania is only a dream, just like the recently awakened Hungarian separatists can only dream about the separation of Serbian territories, Sejdo Bajramovic, member of the SFRY Presidency, said during talks with the leadership of the Pristina Commune. [end recording]

National Renewal: Jovic No Longer President

AU2301155092 Belgrade Radio Belgrade Network in Serbo-Croatian 1400 GMT 23 Jan 92

[Text] The Secretariat of the Serbian National Renewal has announced that Mirko Jovic has not been the party's president since 6 October 1991. At the party's annual assembly held in the Belgrade Sava Center on 6 October 1991, he was not confirmed as president and two days later, Jovic submitted his resignation to Vice Presidents Ilija Gligorijevic and Miomir Djuricic.

Mirko Jovic was not elected due to his arrogant behavior, his usurpation of power, deviating from the democratic program of the party, and proposing a new statute with a completely fascist orientation. All statements Mirko Jovic has made since 6 October 1991 are considered illegal, it is said in the announcement of the party's Secretariat.

The Serbian National Renewal is not a terrorist or a militarist party, as Mirko Jovic wanted to describe it. The majority of the party's committees and members, as well as its followers, do not want any terrorist actions, because terrorism has never brought any good to anybody and Serbs have never been, and will never be, terrorists.

The Serbian National Renewal fully supports all legitimate efforts of the Serbian people aimed at realizing all its rights and achievements of modern civilization on the entire territory of Yugoslavia.

Paper Rebuts Hungarian Territorial Claims

LD2201165392 Belgrade TANJUG in English 1611 GMT 22 Jan 92

[Text] Belgrade, January 22 (TANJUG)—The Belgrade daily POLITIKA today writes that the territorial claims on Vojvodina, a province of the Yugoslav Republic of Serbia, expressed by political circles in neighbouring Hungary as of late are historically and legally unfounded.

POLITIKA published excerpts from historic documents, denying recent statements by Hungarian leaders that Vojvodina was never a part of Serbia, but only a part of Yugoslavia, and that the breakup of Yugoslavia allegedly raises the question of future status of this province.

After Serbia's victory over the former Austro-Hungarian Empire (1914-1918), a grand assembly of the Slav majority in Vojvodina was held on November 25, 1918 and decided to join the Kingdom of Serbia, POLITIKA recalls.

The thus constituted Kingdom of Serbia, together with and the Kingdom of Montenegro, turned over its state sovereignty and international continuity to the Kingdom of Serbs, Croats and Slovenes, formed on December 1, 1918, and whose name was changed to the Kingdom of Yugoslavia in 1929.

The defeated Hungary acknowledged the results of the war, the freely expressed will of the Slav people in Vojvodina and accepted historic facts in Trianon on June 4, 1920, the paper says.

It rejects accusations that Serbia has double standards since it is seeking rights for Serbs in secessionist Croatia while at the same time denying the same rights to ethnic Hungarians in Vojvodina.

According to the existing Yugoslav constitution, Serbs have the status of constitutive nation in all parts of Yugoslavia, while ethnic Hungarians are a national minority.

Serbs in Croatia have illegally been stripped of the status of nation through unilateral constitutional changes, while ethnic Hungarians still have all the rights of minorities as guaranteed by international conventions signed by Yugoslavia, the Belgrade daily writes.

The paper concludes that attempts to reduce the Serbian nation to a minority in Croatia are part of the campaign for international recognition of Yugoslavia's breakaway republics of Slovenia and Croatia.

The Hungarian government was among the first to recognize the independence of Croatia and Slovenia and it has been proved that it armed Croatian para-military formations.

Ethnic Hungarian Leader on SFRY Breakup

AU2301174392 Budapest NEPSZABADSAG in Hungarian 21 Jan 92 p 6

[Interview with Andras Agoston, chairman of the Democratic Association of Vojvodina Hungarians, by Nandor Pilcz in Novi Sad; date not given: "We Would Like Peace and Democracy"]

[Excerpts] Andras Agoston visited Paris recently. With his interviews to several French newspapers—in which he used expressions like "it is our turn now"—he created a big commotion in his homeland. In its editorial, the [Hungarian-language] MAGYAR SZO of Novi Sad asked Andras Agoston what the Vojvodina Hungarians who remained here should do. Should they leave? NEPSZABADSAG also asked the same question.

[Agoston] First of all, I must now say that, from the very beginning, the Democratic Association of Vojvodina Hungarians [VMDK] has been representing and supporting those who remained here. However, this does not mean that the VMDK disregards the refugees' affair, because the VMDK has already submitted demands regarding this problem to Parliament and to other authorities. [passage omitted]

[Pilcz] Does the VMDK think that the quick recognition of Croatia by Hungary will affect the Serbian-Hungarian relations?

[Agoston] No doubt, Hungary is there among the countries that have recognized Croatia and Slovenia, and I do not evaluate this issue because this is an issue among states. The fact is that the current shock in Serbia primarily in connection with the EC decision has led to an unexpected situation. I think that every affected side, including the United States, is treating this global policy issue with adequate responsibility, an issue that is currently the most urgent global policy issue.

[Pilcz] The separation of the two Western members states, as well as the planned recognition of the sovereignty of Macedonia and Bosnia-Hercegovina have created a completely new situation. How does the VMDK envisage the new Yugoslavia?

[Agoston] I must say here that our desire and expectations have not been fulfilled. From the very beginning, we regarded the united Yugoslavia as the most suitable solution, either a federation, or a confederation, or even something else. We did not want, and we still do not want, to interfere in the historical debate of the southern Slav people, but, unfortunately, we were drawn into this war against our will. I can still stress the same basic principle according to which it is better for us to live in a multinational state where the national minority issue and the relations between the various nations are settled in a democratic way. [passage omitted]

[Pilcz] We know that many Hungarian—and not only Hungarian—young people fled the civil war. This is a problem for Hungary and for the young people themselves, because many of these people had to give up their studies. Does the VMDK see any possibility of obtaining some kind of support for their return, like the Soros Foundation or something similar?

[Agoston] From the very beginning, we have been stressing the fact that participation in the war should not be identified with citizens' loyalty. Those who left the country because they refused to participate in this war or because they thought that their subsistence was also in peril should not be treated as refugees whose return could be hindered in any way whatsoever. On the contrary, just like the EC, we also think that the best solution is to give full amnesty to everyone who fled the country from the war and, accordingly, one of the authorities, in my opinion the Serbian Parliament, should call upon them more firmly to return, with full amnesty, of course. [passage omitted]

Macedonia

Road Toward Independence Considered

92BA0308A Belgrade BORBA in Serbo-Croatian 25 Dec 91 p 2

[Article by D. Nikolic: "The Long Road to a 'Balkan Switzerland'"]

[Text] Recognition of Macedonian independence may be hindered by the memorandum of Albanians sent to The Hague, the complaint of the Association of Serbs and Montenegrins sent to international institutions, and Greece's opposition to the Macedonians calling their independent state by a Greek name.

Martin Trenevski, Macedonian information minister, has sent to the Hague denials of the Albanian memorandum, stating that the Albanians in Macedonia enjoy all the rights of an ethnic minority. The Macedonian press and also policy negate any threat whatsoever to the Serbs in Macedonia, and Macedonian historiography takes the position that the Macedonians did not usurp the Greek name of Macedonia. It remains to be seen what the Hague arbitration commission will decide and whether Macedonia will obtain anyone's individual recognition without it or the European Community, as Slovenia has done.

The Macedonian government takes the position that Macedonia fulfills the conditions for recognition: The will to be recognized has been expressed in a referendum, it has authority over its entire territory, its borders are not in dispute, human rights are respected, and the nationalities are protected.

At the moment when the new Macedonian Constitution was adopted, precisely because it guarantees human rights and ethnic equality, a broadly organized attempt was made to bring down Gligorov: A crowd of "ethnically overheated young people" shouted that they would go to Europe in sheepskin jackets and with hatchets after the Skipetars. However, this rustic attempt to bring down Gligorov failed because it did not encounter broad support of Macedonians, but a certain hatred of non-Macedonians did remain. When an Albanian deputy in the Macedonian Assembly said that Macedonia should be overjoyed if it can apply for independence given the position that Albanians have in Macedonia, a deputy from the benches where the "most ethnic of all" usually sit let out an inarticulate and uncontrolled shout of rage and hatred.

If recognition comes in mid-January, it is certain that this will be a day of universal national celebration, just as occurred at the time of the referendum, which has already been forgotten to some extent, because immediately thereafter Macedonia had to face the reality of a "captive pearl in the Balkans." It will be very difficult to transform the "bone of contention" in the Balkans into a Balkan oasis of peace and cooperation. Serbia and the Army are mentioned most frequently as possible aggressors.

The Macedonian press writes that Greece might be a possible aggressor on behalf of Serbia and the Army. Its airplanes have already violated Macedonian airspace on several occasions. Although it does not suit Greece to have an entire chain of independent states from Djevdjelija to Karavanka from each of which individually one must seek transportation permits and to each separately one must pay transportation fees, Greece's aggression on behalf of Serbia is more in the domain of fantasy than reality. It is beyond dispute that independent states impede Greece's communication with Europe and that Greece and Serbia have a vital interest in keeping Vardar communications open and secure. However, Macedonia itself also has a vital interest in the security and traffic capacity of that communication route. Otherwise, a large shadow would fall on its sovereignty and independence, and it might even be threatened.

It is certain that neighboring Bulgaria is counting on sometime correcting "historical injustices" and "annexing the cradle of the Bulgar nation to the Bulgarian parent country." However, neither with the help of tanks, as some predict, but through a "national rebirth of renegade Macedonian Bulgarians," and here an independent Macedonia would be the first stepping stone toward unification of "two brothers living in two houses." It is very difficult to believe that Macedonia is becoming independent only in order to change its "umbrella" and in so doing to give up its nationality, language, and culture and all its national institutions built over the last 50 years. Just so the state would become a Bulgarian province.

There is also mention of "integral Albania" as a danger to the integrity of Macedonia, which might return Macedonia to the Serbian embrace or thrust it into the arms of the Bulgarians. Everything indicates, however, that the Albanians are looking to the long term and in the Macedonian parliament and local communities they are mainly operating as a constructive factor interested in a sovereign and independent Macedonia.

If Macedonia were not threatened by an immediate danger from any of its neighbors, it is said to be threatened by a danger coming from the Macedonians themselves. In Macedonia, there are very strong trends toward "national dictatorship." Ethnically pure institutions are demanded, and entire strata of Macedonian society and entire nationalities are proclaimed to be a fifth column. At the beginning, there was a demand for blood, accompanied by loud ethnic slogans, as the only road to sovereignty and independence. The fear of "national dictatorship" on the part of the nationalities, and indeed even on the part of the Macedonians themselves, is realistic.

There are those who say that Macedonia will not be sovereign and independent as soon as it displays its crest and flag, sings its anthem, and forms its own all-star national soccer team, but only when it achieves its economic sovereignty. That is the most difficult part of the job, one which most of the parties do not want to face. The Macedonian economy has lost the Yugoslav market. The markets of the other republics are now what amount to foreign markets. Trade will be conducted through barter and commodity lists. Macedonia has also lost its export business, which was handled by firms from other republics. The European Community, which most likely will recognize the independence of Macedonians,

has already adopted antidumping measures against its principal exports. For its part, Macedonia has taken a number of steps to protect its economy, and it will be adopting new and more rigorous ones. The question of the day is when it will also adopt its own currency.

[Box, p 2]

Danger of War

There is anxiety about a possible war in Macedonia, but Macedonian politicians do not believe that Macedonia is threatened by an immediate danger of war. Vasil Tupurkovski has said that Serbia and the Army want to pull out of the war they are waging, but now, with all that has happened, they do not know how. The conclusion follows that war in Macedonia is for Serbia and the Army unnecessary to say the least. It is said that it takes at least two to make war, and Macedonia will not consent to be the opponent of Serbia and the Army in a war. The assault of Serbia and the Army on Macedonia, when it is refusing to wage war, would be a definitive compromise of both Serbia and the Army. They most likely are not willing to do that.

[Box p 2]

Coupons Instead of Sound Money

In spite of the proclamations about openness and the orientation toward the market, Macedonia faces exclusiveness and most probably "planned distribution of goods and planned consumption." It is very difficult to expect that any economic superpower will invest "sound money" to back the Macedonian scrip and make it convertible, without concessions that would make Macedonian independence and sovereignty a mere farce. Reputable Macedonian economists, nevertheless, believe that such a "surety" might be found and then Macedonia could be helped to become a "Balkan Switzerland."